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Daily Report
Latin America

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CPPS Protests Muroroa Atoll Nuclear Test

PY2411162090 Madrid EFE in Spanish 0152 GMT 24 Nov 90

[Text] Santiago de Chile, 23 Nov (EFE)—The Permanent South Pacific Commission (CPPS), which is made up of Colombia, Chile, Ecuador, and Peru, today protested a new French nuclear test in the Muroroa atoll. This is the second nuclear explosion this month, and the sixth of the year.

The communique issued by the CPPS states: "It is disconcerting to see that these nuclear explosions are still taking place just three days after the signing of the memorable Paris Treaty to substantially reduce armed forces in Europe and despite the fact that the so-called 'cold war' has ended."

The communique, which is signed by CPPS Secretary General Teodoro Bustamante, emphasizes that this commission "in keeping with the intensified effort to strengthen peace and general disarmament, urgently demands the immediate and definitive end to these worrisome nuclear tests in Oceania."

Central American Security Body Meets in Honduras

*PA2411024190 Panama City ACAN in Spanish
1845 GMT 23 Nov 90*

[Text] The Central American Security Commission, composed of deputy foreign ministers and military advisers, began its third annual meeting in Honduras today, and warned that it is planning to reduce the "excess" number of soldiers and weapons rather than to demilitarize the region.

The meeting, which will end tomorrow, is headed by deputy foreign ministers Hernan Castro (Costa Rica), Ricardo Orlando Valdivieso (El Salvador), Mario Hugo Rosa (Guatemala), Ernesto Leal (Nicaragua), and Jaime Guell (Honduras).

The meeting is also being attended by the deputy defense ministers from the region. The special observers are UN representative Frances Vendrell, and OAS representative Mario Gonzalez.

When inaugurating the meeting, Guell said that the commission's main goal is to ensure a military balance in the region, promote defensive armed forces, and eliminate unnecessary military spending.

"It is a mistake to think that we are seeking to demilitarize the region because that would only bring instability and the possibility of new conflicts," the Honduran deputy foreign minister said.

The Honduran idea, supported by the Governments of El Salvador and Guatemala, is not shared by the Costa Rican and Nicaraguan Governments. Costa Rica and Nicaragua favor a gradual demilitarization of the region.

Guell criticized those who view the armed forces as "unproductive," and said that "only if they continue to protect us can our societies prosper."

There are currently some 170,000 soldiers in Central America. This number does not include the Salvadoran and Guatemalan rebel forces that number approximately 10,000 fighters.

The commission is responsible for drafting some agreements, as well as deciding on the number of soldiers and weapons in the region, which will be discussed at the upcoming Central American summit scheduled for 15-16 December in Costa Rica.

Agreement on Arms Verification

*PA2511040190 Panama City ACAN in Spanish
2305 GMT 24 Nov 90*

[Text] Tegucigalpa, 24 Nov (ACAN-EFE)—The Security Commission of the Central American peace accords agreed today in Tegucigalpa to create a mechanism for the verification of weapons inventories, and to increase the number of soldiers operating in conjunction with the United Nations and the OAS.

The region's deputy foreign ministers and deputy defense ministers, who are members of the Security Commission, pointed out that the Salvadoran guerrillas' armed actions "constitute an obstacle" to their mandate. They emphasized the need for UN Secretary General Javier Perez de Cuellar to "personally conduct the necessary negotiations" with the Farabundo Marti National Liberation Front [FMLN] for a prompt cease-fire in El Salvador.

In the Security Commission's third meeting, which opened yesterday and closed today, it was also agreed to ask the United Nations to increase the number of the UN Observer Group in Central America (ONUCA) so its verification activities can be "more effective."

The concluding document, signed in Tegucigalpa, pointed out that ONUCA should improve its communications with the armed forces and foreign ministers of Central America, improve or acquire the necessary communications systems to carry out its work, and install radar equipment for air, ground, and maritime surveillance.

The document also proposed to strengthen ONUCA's presence and verification activities at borders and customs checkpoints, improve cooperation with each country's intelligence agencies, and increase the number of transportation vehicles and personnel trained to carry out the assignments.

The commission agreed to take an inventory of military installations, soldiers, and armaments of the military and security forces in Central America.

The Security Commission will meet again on 26 February in Managua, where the military inventories of the region's countries should be presented.

The Security Commission condemned "the indiscriminate use of rudimentary antipersonnel mines and other explosive devices used by unconventional forces" because they constitute a threat against the civilian population.

The commission members also agreed to ask the UN secretary general for international assistance and support in defusing the land mines planted in the region, and to propose a mechanism of disarming civilians, in accordance with each country's internal legislation.

Arms Reductions Debate

*PA2511133490 Panama City ACAN in Spanish
0010 GMT 25 Nov 90*

[Text] Tegucigalpa, 24 Nov (ACAN-EFE)—Salvadoran Deputy Foreign Minister Ricardo Valdivieso said today in Tegucigalpa that a reduction in his country's Army "is complicated," and could occur only when the guerrillas cease their attacks.

The diplomat stressed that "we continue to have an enemy (the guerrilla) who destroys our economy, so the Army cannot be reduced because it must fight the enemy."

Valdivieso, chief of the Salvadoran delegation that participated in the third meeting of the Security Commission of the Central American Peace Accords, also claimed that Nicaragua continues to supply weapons to the Farabundo Marti National Liberation Front (FMLN) guerrillas.

The Salvadoran rebels are using "SAM-2" and "SAM-14" missiles which "are not made in any Latin American country and concern us because they endanger peace,." he added

Valdivieso's statements were refuted by Lieutenant Colonel Ricardo Wheelock, chief of the Nicaraguan Army intelligence directorate. Wheelock, in a strong and angry tone, said "that is outrageous."

"It is insane to try to implicate Nicaragua, or accuse it of sending arms to the Salvadoran guerrillas," he added.

Wheelock explained that the Nicaraguan Army "cannot give any type of arms to any other country or organizations," according to orders from the Soviet Union.

Wheelock said that "no arms from the Nicaraguan Army have been used in another country, and none will be used without the Soviet Union's authorization." The Soviet Union has supplied the Nicaraguan military with weapons throughout the past decade.

On another topic, the Salvadoran deputy foreign minister said that the statements made by a group of 40 attorneys who represent the Jesuit's Community in the United States are "false and unfounded." The lawyers claim that there is "strong circumstantial evidence" that implicates Salvadoran Defense Minister Colonel Rene Ponce in the murder of six Jesuits in November of 1989.

Guatemalan Deputy Foreign Minister Mario Hugo Rosal told ACAN-EFE that the Security Commission did not condemn the violence in his country because it is different from the war in El Salvador.

Rosal added that "in El Salvador there is an armed conflict, while in the case of Guatemala there are armed actions outside the law that we expect will subside through dialogue."

The third meeting of the Security Commission ended today with the signing of a document in which the Central American deputy foreign and defense ministers agreed to create a military inventory mechanism with the participation of the United Nations and the OAS.

Andean Transport Ministers Issue Declaration

PY2511220090 Madrid EFE in Spanish 0209 GMT 24 Nov 90

[Text] La Paz, 23 Nov (EFE)—At the end of their fifth regional meeting today, ministers of transport, public works, and communications from the Andean countries urged their colleagues from the Southern Cone to speed up continental integration in response to the world economic challenge.

A declaration was issued in La Paz that states: "We consider it very important and a priority to begin a dialogue with our colleagues from the Southern Cone as soon as possible to expand and effectively diversify international and inter-Latin American transport."

The declaration was signed by Ecuadoran Transport Minister Raul Carrasco; Eduardo Toledo, Peruvian minister of transport and communications; Roberto Smith, Venezuelan minister of transport and communications; Willy Vargas, Bolivian minister of transport and communications; and Colombian Ambassador Carlos Eduardo Lozano.

Concluding the meeting, the Bolivian transport minister reiterated the Andean ministers' invitation to their colleagues from Argentina, Brazil, Chile, Paraguay, and Uruguay to attend a meeting in Lima to consolidate connections between the Atlantic and Pacific.

The declaration states that physical integration is necessary for both the Andean region and the rest of the continent, and it reiterates the ministers' support for measures to improve passenger and cargo transportation systems by reducing costs and increasing competitiveness to improve access to regional and extraneous markets.

Cartagena Agreement representative Rodrigo Albujar stated: "The development of transportation is an essential support for Latin America unity. Transportation improvements can be made even before customs regulations are unified to strengthen regional export capacity."

The conclusions of the fifth meeting of transport ministers are included in a document which will be delivered to the five Andean presidents during the presidential summit in La Paz on 29-30 November.

Mexican-Central American Summit Rescheduled

PA2411035290 Mexico City XHTV Television in Spanish 0200 GMT 24 Nov 90

[Text] Costa Rican President Rafael Angel Calderon has said that the Mexican-Central American summit will be held in January instead of December, as was scheduled. He said that the meeting of his colleagues from Guatemala, El Salvador, Honduras, and Nicaragua, with the President of Mexico will be held in January, following Guatemalan elections.

The meeting with Mexican President Salinas de Gortari had been scheduled for 17 December in the state of Chiapas.

Cuba

Commentary Lauds Fight Against Economic Crime

FL2611192590 Havana Radio Rebelde Network in Spanish 1800 GMT 26 Nov 90

[Station commentary]

[Text] The Communist Party of Cuba's official paper, GRANMA, has published a report today on the continuation of operations against criminals and corrupt people. GRANMA states that the operations, carried out by combined Interior Ministry forces, were initiated against a group of notorious criminals, more than 200 of whom have been arrested and are under investigation in Havana. On 6 November, these operations were broadened to include crime in the rest of the country.

Our people support these measures because they know there is nothing that moves on this so-called underground economy that does not come from the sweat of the workers themselves. Our workers—who live on their wages—are extremely disturbed to see how these parasites live, and how their money buys privilages in addition to goods and services that are in large part subsidized by the government.

Our people know that all these criminals, who thrive at the cost of the nation's sacrifices, live in an underworld in which crime and counterrevolution go hand in hand. Perhaps they are mesmerized by the hope of investing ill-gotten gains in future businesses in the supposed market economy they dream of. Thus, while the nation strives to perfect the socialist society, these tiny groups are trying to start an accumulation of capital based on contraband goods, without even respecting the special period, in which the efforts and sacrifices of all are multiplied. These criminals and corrupt people cannot have any room in our society. They forget that the choice is socialism or death, and that there is no going sideways nor backwards.

ANPP's Eighth Session Scheduled for 26 Dec

FL2711014090 Havana Television Service in Spanish 0100 GMT 27 Nov 90

[Text] The Eighth Regular Session of the Third National Assembly of the People's Government [ANPP] will be held on 26 December at 0900. Using the authority conferred on him, Juan Escalona Reguera, president of the Cuban parliament, summons deputies and state organizations to attend this year's second session.

Gomez Gutierrez Appointed Education Minister

FL2611154590 Havana Tele Rebelde Network in Spanish 1200 GMT 26 Nov 90

[Text] At the proposal of the Politburo of the Communist Party of Cuba, the Council of Ministers has agreed to release Comrade Jose Ramon Fernandez from his post as minister of education. Comrade Jose Ignacio Gomez Gutierrez, who had been acting as the president of the Central University in Las Villas, has been appointed to this post. From now on, Jose Ramon Fernandez will oversee issues concerning sports, especially the Pan-American Games, for which he is the head of the organizing committee. He will also continue to carry out the tasks assigned by the party as a member of the Council of Ministers, of which he continues to be a vice president.

WFTU Said To Affirm Support for Havana

FL2011211390 Havana Radio Reloj Network in Spanish 2054 GMT 20 Nov 90

[Text] The 12th Congress of the World Federation of Trade Unions [WFTU] today adopted a resolution exhorting the world's workers and their organizations to continue with their firm support for the sovereignty and self-determination of the Cuban people. The session, attended by representatives from more than 100 countries, began 13 November in Moscow and ended this afternoon after approving the WFTU's strategy for the nineties.

The document expresses the urgency of continuing to support the Cuban revolution in the face of the U.S. Government's hostile policy, which has intensified in the context of Cuban difficulties during this time of deterioration in its economic relations with other nations. The 12th Congress expresses its most fervent support for the Cuban workers and people.

Isidoro Malmierca Receives DPRK Counterpart

FL2611221690 Havana Radio Reloj Network in Spanish 2041 GMT 26 Nov 90

[Text] Official talks have begun between the delegations of Cuba and the DPRK at the Foreign Ministry in Havana. The sessions were presided over by Foreign Minister Isidoro Malmierca and his Korean counterpart Kim Yong-nam, who is heading an official delegation from the Asian country. The meetings are scheduled to continue on Monday afternoon after the diplomatic event sponsored by Foreign Minister Malmierca to introduce the Korean foreign minister to the members of the diplomatic corps accredited to Cuba. Later today, the DPRK delegation will tour the projects under construction for the Pan-American Games and where the fountain donated by the DPRK will be placed.

OLADE Executive Secretary Begins Visit

FL2611190390 Havana Tele Rebelde Network in Spanish 1800 GMT 26 Nov 90

[Excerpt] Engineer Gabriel Sanchez Sierra, executive secretary of the Latin American Energy Organization [OLADE], arrived in Cuba this morning from Caracas. At the Jose Marti International Airport, Sanchez Sierra informed Cuban television of the reason for his visit.

[Begin Sanchez recording] Basically there are two reasons. First, tomorrow we are going to open a very important seminar for OLADE and the region on the subject of energy emergencies. This comes from OLADE's efforts resulting from the decision at the meeting of ministers in Lima that gave us a mandate to work on the specific subject of emergencies. Cuba is the leader in preventing and handling emergencies. That is why we have invited the countries that are usually the most affected by hurricanes in the Caribbean, so that they can be present here, and that is the reason for the meeting tomorrow that we are going to open at your Ministry of Basic Industry training center. [end recording]

The OLADE executive secretary also [words indistinct] the Cuban energy authorities to discuss issues of mutual interest to Cuba and OLADE. [passage omitted]

Montane Oropeza Heads Delegation Visiting Chile

FL2711032690 Havana Radio Reloj Network in Spanish 0315 GMT 27 Nov 90

[Text] Jesus Montane Oropesa, head of the Cuban delegation that attended the recently concluded Communist Party of Chile Congress, was received today at the Valparaiso government seat by its top representative, Luciano (?Valle). Montane, who is also member of the Communist Party of Cuba Central Committee, held a long and friendly talk with the Chilean provincial governor on various topics of mutual interest.

Mozambican Defense Minister Tours Santiago

FL2611215190 Havana Radio Reloj Network in Spanish 2034 GMT 26 Nov 90

[Text] Army General Alberto Joaquim Chipande, defense minister of Mozambique, taday toured centers of military and economic interest during his second day in Santiago de Cuba. The high-level delegation, which is paying a visit at the invitation of Army General Raul Castro, confirmed the level of defense preparedness at protection projects and defense zones in the city.

Chipande also visited the hydroponics complex that is located next to the Antonio Maceo science institute. He praised the modern technique of using non-fertile land for production purposes.

Chipande arrived yesterday in Santiago de Cuba where he placed floral wreaths at the Jose Marti Mausoleum and at the Cuban internationalist martyrs' tomb. He also toured the 26 July Museum and the house where Antonio Maceo was born.

Inter-Caribbean Affairs

Resistance to Constituent Assembly Criticized

FL2611161090 Bridgetown CANA in English 1505 GMT 25 Nov 90

[Text] Castries, St. Lucia, Nov. 24, CANA—The St. Lucia VOICE on Saturday described as disappointing a threat by Windward Islands opposition parties to boycott a regional constituent assembly, which will advance plans by the four countries to establish a political union.

The parties, grouped under the Standing Conference of Popular Democratic Parties of the Eastern Caribbean (SCOPE), said they would boycott the assembly which was scheduled to begin its inaugural meeting in St. Vincent on Monday. SCOPE accused their governments of keeping its members "in the dark" over the unity issue. A compromise was reached at a meeting between the two sides in St. Vincent on Saturday, and an agreement was made to put back the constituent assembly meeting until next January.

The VOICE, in an editorial, said the governments of St. Lucia, Dominica, Grenada, and St. Vincent and the Grenadines had always "maintained that the political union issue would be a matter to be decided upon in consultation with the people."

The paper said that while it was not satisfied with the level of consultation in St. Lucia and the other islands, "the convening of the assembly takes the consultative process to a regional level, and by its very existence, should force wider discussion on the issue.

"It is because the assembly is such a key element in the consultation process that the reaction of the opposition parties grouped under SCOPE...is strange and disappointing to say the least," the paper said.

The paper said while SCOPE had complained "quite rightly" of being kept in the dark, it believed that had the governments "opened a dialogue with SCOPE after the initiative was announced three years ago, the whole process would have been much more advanced."

The paper said SCOPE was missing a vital opportunity of putting forward its case to the regional assembly by its boycott. "You cannot complain that you are not being involved in a process of consultation, and when the opportunity arises, you spurn it." It said the action of SCOPE "has been one of pure opposition politics, and their position on the political union seems dictated by electoral objectives, particularly in St. Lucia and Dominica."

The paper said it was fortunate, however, that the other groups invited to participate in the assembly did not adopt SCOPE's position, adding "it would seem therefore that the people are moving forward, and some of the political parties who claim to represent them are being left behind."

"As we have said before, we believe a political union of the eastern Caribbean is necessary. We therefore welcome the convening of the assembly and look forward to its eventual outcome—an outcome critical to the future of these islands," the VOICE said.

St. Kitts-Nevis Minister Supports CET Review

FL2611211590 Bridgetown CANA in English 1356 GMT 26 Nov 90

[Text] Castries, St. Lucia, Nov. 26, CANA—St. Kitts-Nevis Prime Minister Dr. Kenndy Simmonds is lending support to a call by Antigua and Barbuda for reexamination of the Common External Tariff (CET), due to be implemented in the 12 Caribbean common market states from January next year.

Antigua and Barbuda wants more time to implement the tariff, arguing that the Gulf crisis, sparked off by Iraq's invasion and annexation of Kuwait in August, had thrown its economic projections off target.

"It seems to me that it is obvious that we need to examine the CET in the light of what is happening in the Gulf...(and) what we will decide at the end must follow that evaluation," Simmonds told CANA [Caribbean News Agency].

Caribbean Community (Caricom) governments at their last summit in Jamaica, this year, agreed on the January 1, 1991 implementation of the CET, which provides a unified tax structure against third country imports. Simmonds said that while the organisation of Eastern Caribbean States (OECS) had been given special consideration under the revised CET, it was, however, important that a review be made.

Simmonds said that the Antigua-based economic affairs secretariat of the OECS had prepared a paper on the issue, which is being circulated among member states for consideration. A recheduled meeting of the OECS economic affairs committee at which the matter was to have been discussed was postponed last week, and Simmonds said it was now likely to be held in January.

St. Lucia's trade minister George Mallet has already indicated that it would be "unfortunate" if the CET was not implemented at the January 1 deadline.

Barbados

Sandiford Urges Opposition Leader To Resign

FL2611225890 Bridgetown CANA in English 1423 GMT 26 Nov 90

[Text] Bridgetown, Barbados, Nov 26, CANA—Prime Minister Erskine Sandiford on Sunday night called for the resignation of minority opposition Barbados Labour Party (BLP) leader Henry Forde.

Sandiford's call, issued at a public meeting of the ruling Democratic Labour Party (DLP), was the latest twist in a week-long debate, triggered by charges made by Forde that the International Monetary Fund (IMF) had proposed a devaluation of the Barbados dollar.

The charges, made at BLP public meeting amid intensifying pre-election campaigning here, caused Sandiford and Central Bank Governor Dr. Kurleigh King to deny such a recommendation was made. Reputable U.S.-based monetary sources, with IMF contacts, also told CANA [CARIBBEAN NEWS AGENCY] no devaluation was proposed.

"This is a serious question of political morality," said Sandiford, noting that when Forde had made the charge, he had suggested it had come out of a IMF document. Subsequently, he released an unsigned document to the NATION newspaper as the basis of the charge.

"How can you trust and believe any leader who comes before you, takes the name of an international organisation in vain, (and) leads you to believe that that particular body is making some recommendation which is in fact it has not," Sandiford added.

An immediate fall-out has been a sense of uncertainty within the private sector, with Chamber of Commerce President Peter Boos saying many businesses had moved to settle overseas debts.

Health Minister Brandford Taitt, who also spoke at the DLP meeting, also called for Forde's resignation.

Meanwhile, opposition leader Dr. Richie Haynes, in his first major public comment on the devaluation issue, said Forde's so-called devaluation document was not from the IMF. He told a public meeting of his National Democratic Party (NDP), also on Sunday night, that he had a copy of the same document since October but had chosen to remain silent because of the damage that could be caused to Barbados. He said the IMF would never put in writing any recommendation of a devaluation.

Dr. Haynes said the unsigned document dealing with the state of the Barbados economy had originated from within international banking circles. He said, however, that the analysis proved that Barbados was broke as his party had been saying.

Politicians, Bank Oppose Currency Devaluation

FL2611170590 Bridgetown CANA in English 2040 GMT 24 Nov 90

[Text] Bridgetown, Barbados, Nov. 24, CANA—Barbadian politicians in government and opposition, and the Central Bank governor, are firm that a devaluation of the local dollar is undesireable, whatever the immediate problems of the economy.

"There is nothing to be gained from a devaluation of Barbados' dollar...it is not in the cards for this government and cannot be in the cards...it makes no sense economically or otherwise," Minister of State for Finance, Dr. Carl Clarke, told the Senate this week.

Central Bank governor, Dr. Kurleigh King, issued a statement on Thursday that "the management of the bank does not consider devaluation to be a useful policy option under our present circumstances."

Devaluation has been a subject of intense public debate here this past week, after leader of the minority opposition Barbados Labour Party (BLP), Henry Forde, said at a public meeting last Sunday that the International Monetary Fund (IMF) had recommended devaluing the Barbados dollar.

Forde, whose charge was refuted by Prime Minister Erskine Sandiford, said, however, the BLP always opposed devaluation and continued to view the measure as not in the best interest of Barbados. The Barbados dollar has been fixed at two dollars to one (U.S.) dollar since 1975, prior to which it had a fixed rate against the pound sterling.

University of the West Indies (UWI) Management professor, Stanley Reid, in a comment to CANA [Caribbean News Agency] on the Barbados dollar exchange rate to the U.S. dollar, said: "Yes, it is overvalued."

He said, however, that overvaluation was not a requirement for devaluation, adding that the fixed Barbados exchange rate has long been overvalued, as a matter of economic policy, as is the case in many other countries. Reid said countries with deliberately overvalued currencies attempted to use monetary policy to stimulate the economy and sustain the artificially high value of their currencies.

He contended that the current problems of the Barbados economy were "a heritage of successive governments being unsure of the strategies which could stimulate the generation of foreign exchange" to satisfy the country's needs. Barbados had suffered in export competitiveness because import and consumption duties had driven up the cost of production inputs, he said.

The UWI professor, however, ruled out devaluation as a means of increasing foreign demand for Barbadian goods and services. Reid further contended that Barbadian industries were not well geared to respond to any increase in demand resulting from a devaluation.

Haiti

CEP Asks Candidates, Public for 'Moderation'

FL2611193590 Port-au-Prince Radio Nationale in Creole 1400 GMT 23 Nov 90

[Text] The Provisional Electoral Council [CEP] reminds the population and particularly the political parties that all candidates have the right to freely express themselves within the limits of the law. The CEP points out that intolerance towards competitors gives rise to verbal and physical violence, which creates a climate non-conducive to the institution of real democracy. It is imperative that the electoral campaign throughout the country allow the political parties and the candidates to set an example of tolerance and respect. Thus, the electoral campaign will set a precedent for democracy. The CEP hopes that the presidential candidates and the political officials will help their partisans understand the necessity of moderation and tolerance, so that the police force will not have to make distressing interventions to call troublemakers to order. This is in accordance with the electoral law.

State Council Warns Against Election Violence

FL2611195190 Port-au-Prince Radio Nationale in Creole 1400 GMT 23 Nov 90

[Text] The registration of more than three million people in the electoral record clearly shows the decision of the Haitian people to exercise their sovereign right to determine who will lead them, according to a note from the State Council. The note goes on to say that the Haitian people understand that they can make the elections a battlefield for democracy. The State Council congratulates the Provisional Electoral Council for the effort they made to achieve this difficult task. Everything has been done to ensure an authentic electoral competition, which will represent a decisive stake in the nation's struggle for democracy. The State Council points out that its own participation in this big democratic enterprise represents their mission to carry out the general policy of the executive.

The State Council notes that there are some sectors attempting to destabilize the electoral process for various reasons. In view of this, the State Council asks the partisans and the candidates to avoid any and all acts of violence. It warns all those who would induce the country into ventures that might have grave consequences. Establishing a freely elected government is the sole guarantee of avoiding distress in the nation. The population must remain vigilant and organize themselves to keep demanding the security measures indispensable to the success of the elections. The insecurity began again to show itself, timidly it is true, but represents a deep concern. This note, dated 21 November 1990, was signed by the State Council.

Church Declares Neutrality on Aristide Candidacy

FL2611215090 Port-au-Prince Radio Nationale in Creole 1400 GMT 26 Nov 90

[Text] The president of the Haitian Episcopal Conference, Monseigneur Petion Laroche who is the Hinche Bishop, reaffirmed yesterday, Sunday, the neutrality of the Catholic Church in the forthcoming elections while asserting that a ruling on Father Aristide's clerical status is still pending. In an interview with Radio Soleil, the bishopric's station, Monseigneur Laroche, advised that the Catholic Church supports no candidate. The Church is neither for nor against Aristide's candidacy. He thinks, however, that Aristide's status needs to be determined in order to avoid trouble and confusions. On that score, Monseigneur Laroche quoted article 285, paragraph 3, of the Canon Law, which forbids priests to hold political office or civil power.

Jamaica

Commercial Banks Said To Record 'Huge Profits'

FL2611174590 Bridgetown CANA in English 2100 GMT 24 Nov 90

[Text] Kingston, Jamaica, Nov. 24, CANA—Jamaican commercial banks are continuing to record huge profits despite a current credit squeeze, the FINANCIAL GLEANER reported. The paper said commercial banks listed on the Jamaica Stock Exchange had raked in over J300 million dollars in after-tax profits during 1990. The five banks are Nova Scotia, which made a profit of J132 million; National Commercial Bank [NCB], J94.7 million; Mutual Security, 26.9 million; and Canadian Imperial Bank of Commerce (CIBC), 38.9 million.

The profits indicate that credit restrictions introduced in September last year to protect the Jamaican dollar had not affected the banking sector, and that banks were continuing to thrive despite the tight regulations. The 1990 profits represents a 27 percent increase over profits in 1989 when the five banks made J248.83 million dollars.

Financial analysts were reported as saying commercial bank profitability had increased despite a credit ceiling imposed in August, 1989 because when the new measures were announced, the value of private sector loans was already 45 percent over August 1988. The gradual increase of the credit ceiling since January, coupled with increased interest rates, had resulted in a rise of the gross earnings of these financial institutions, the FINANCIAL GLEANER said.

The increasing use of overdraft facilities have also given some banks greater latitude in terms of setting interest rates. However, bankers complain that the high liquidity requirement has affected profit margins.

Orville Walker, deputy general manager of Scotia Bank, considered the increase in Scotia's profits as low. "Normally we keep interest rates low and go after volume. We were not able to do so because of the credit ceilings," he said. Walker said the bank had decided not to increase interest rates and had to settle for lower profits. He also blamed the low profit level on the liquid assets requirement which jumped from 25 percent in April to 27.5 percent in May. As at November 1, the liquid assets requirement was 32.5 percent.

Rex James, managing director of NCB, said his bank was able to increase its profits because of revenue from investments made in services, over the years. He said investment in a credit card scheme was now "paying dividends" and expected that the bank's investment in Mastercard, VISA, and real estate, as well as its tourism holdings, will impact positively on the bank's profit margin.

St. Lucia

Taiwan Embassy Denies Impropriety Charges

FL2611152090 Bridgetown CANA in English 1510 GMT 25 Nov 90

[Text] Castries, St. Lucia, Nov. 24, CANA—The Embassy of the Republic of China (Taiwan) on Saturday refuted opposition charges that it had compromised the integrity of the St. Lucia government by renting a house belonging to Foreign Minister Neville Cenac.

In a statement, the opposition St. Lucia Labour Party (SLP) had called on the government to establish an integrity commission, in the wake of reports that Cenac had rented his newly built home in a tourist resort area to the Taiwanese. The SLP said it was "alarmed and dismayed" that the foreign minister had entered into the business transaction.

"This is improper and clearly in conflict with Mr. Cenac's role as this country's foreign minister. It seriously compromises the integrity of the government and the people of St. Lucia," the opposition party said.

In a statement, the embassy said "strenuous efforts" to seek accommodation here had proved fruitless and Cenac had only agreed to rent his building on a temporary basis until alternative accommodation could be found.

The statement called Cenac's decision to rent the building a "very good gesture...," noting he had "delayed his plans to accommodate the embassy for the time being so that it could continue functioning in St. Lucia."

"...The presence of the Embassy of the Republic of China in St. Lucia is solely to promote friendship and good faith between the two countries. The embassy has no intention whatsoever to side with any particular person, any party, or any organisation against another," the statement added.

Trinidad and Tobago

Minister Refutes Plans To Challenge Robinson

FL2611232090 Bridgetown CANA in English 1512 GMT 26 Nov 90

[Text] Port of Spain, Trinidad, Nov 26, CANA—Planning and Mobilisation Minister Winston Dookeran says he will not challenge Prime Minister A.N.R. Robinson for the leadership of the ruling National Alliance for Reconstruction (NAR) at a party convention next month.

On Saturday, the Parliamentary Secretary in the Ministry of Health, Kenneth Butcher, told party delegates that Dookeran, one of the NAR's two deputy leaders, should be elected to replace Robinson at the December 9 conference.

Dookeran, in an interview with the TRINIDAD GUARDIAN published on Monday, said he was of the view that the NAR must continue to support Robinson. "I have not considered contesting the political leadership of the NAR and I have no intentions of doing so at the upcoming annual conference," he said. "Now is the time for the NAR to galvanise all its support behind our political leader, Mr. A.N.R. Robinson, and work towards the success in the Diego Martin central by-election (next month) and the general elections to come."

NAR public relations officer Lennox Raphael told CANA the party has, so far, not received any nominations for the post of political leader.

Salinas Monterrey Speech Welcomes President Bush

PA2711022990 Mexico City Red Nacional 13 Imevision Television in Spanish 0003 GMT 26 Nov 90

[Welcoming speech by President Carlos Salinas de Gortari on the arrival of U.S. President George Bush; at the Great Plaza in Monterrey, Nuevo Leon—live]

[Text] Fellow Mexicans: U.S. President George Bush and his wife Barbara have come to visit us. [shouts] We are extending our warmest welcome to them. Together, we have found a new relationship between our countries. We seek concrete benefits for our people. A friend has arrived in Mexico. Let us receive him as we know how. Welcome, President Bush. Welcome, Mrs. Bush. [shouts and applause]

Mexico, here at its Monterrey house, courageous, determined, and loving of its roots and history, is happy to have you here. You have arrived for a meeting of hope from Prague, where thousands of men and women saw the head of state of a nation which, since the days of the cold war, opposed the country that instilled fear in them and that, on occasion, occupied their country. They gathered to celebrate the beginning of a new era of cooperation. We also welcome you here in Monterrey, although the historic antecedents are completely different. President Bush, this welcome that people filled with enthusiasm are extending would have been unusual a few years ago because of the serious wounds sustained and the difficulties encountered in our old and painful historic relationship, of which this heroic city of Monterrey is testimony.

This warm welcome is possible because of the new stance of the Mexican people, who are proud of their past and confident of their new place in the world, and because of your government's new interest in improving relations with Mexico. We are welcoming you so because your arrival expresses the friendship and respect that marks our relationship. This is an symptom of new times, which have seen the desire for freedom topple walls and remove obstacles and to pave the way for an open meeting of ideas and men. This is an expression of the temperament that refuses to be enslaved by prejudices and myths. This is why we have here a new neighborhood, because Mexico is changing, faithful to its principles and traditions, but with its eyes on the future, with sovereignty and liberty, to become a modern, competitive, and above all, a just nation. This is so because the United States has changed and listened to Mexico's views and opinions to set free its social and constructive forces and ascertain the mutual interests of the two countries.

The new neighborhood offers more benefits to our people and makes our nations stronger. We are determined to show that the new trends toward freedom, tolerance, and cooperation can be permanent and beneficial for Mexico and the United States. We want to show that our geographic coexistence is an opportunity to progress and strengthen the leadership along our the path of destiny, so that we can learn from one another. Geography has forced us to be neighbors. History has made us distrustful neighbors. Let our willingness and vision of the future now turn us into neighbors of respect and progress. [applause and shouts]

Fellow citizens: The Mexican people today are witness to this new era. Today the eyes of the world are set on Monterrey and all of Mexico. [applause and shouts] You, my fellow Mexicans, know what we can do when we make a decision. We intend to defend sovereignty, meet everyone's needs with fairness, and expand our liberties to live better and more democratically, always as Mexicans. We intend to embrace a new relationship with the United States. We have found that the U.S. people, government, and, particularly its President, have also decided to have a better relationship with Mexico. Our governments have learned what you people, the inhabitants of this border state, already knew, that we can respect each other and be friends, that we share values that make it possible for us to coexist with what distinguishes us, and that we can be the driving force for a continent of great nations that can again surprise the world.

The matters of interest are analyzed in cordial meetings. We have found ways to solve the problems that have arisen—some of them difficult, some of them unnecessary—through dialogue. Neither our governments nor our societies want misunderstandings, partial interests, or structural differences to cancel the many benefits that a respectful relationship full of exchanges can bring for Mexico and the United States. From the growing exchanges between our peoples, we are finally learning about the need to overcome difficulties and misunderstandings.

Mr. President Bush: We celebrate the arrival of a man sensitive to our traditions, acquainted with the culture of the Mexicans and of Mexican-Americans who live beyond the border; a man who does not boast of his own importance. President Bush has expressed this in his cordiality toward Mexico, its president, and the Mexican people. We invited you to Mexico because we know you appreciate our home and here you are appreciated. A U.S. President who knows how to respect Mexico is here with us. Hence this formidable and cordial reception. [applause]

Mexicans: The year of 1990 was one of great changes for mankind. This is shown in the level of worldwide transformations. We are building our future so that work can occur without hindrance, and so that human beings can always find the respect they deserve in the social organization. We want a future where nature and man can find harmony free from drugs, threats, insecurity, and where values, respect, and affection can be the essence of dignity. A future with a friendly neighbor such as you, President Bush, had proposed to your citizens. And a sovereign and just Mexico, as we Mexicans want. We will construct this future for the good of the Mexican nation, the U.S. people, and the world.

Fellow Mexicans: Mexico today is a country of tomorrow, but not because we leave for tomorrow what has to be done today, but because with our effort, work, dignity, and unity, we Mexicans are now decisively taking this great step toward our new future. For peace and mankind, we will turn it into reality together. Long live Mexico! [applause]

Belize

Price Orders Inquiry Into Factory Fire

FL2611164590 Bridgetown CANA in English 1602 GMT 25 Nov 90

[Text] Belize City, Belize, Nov. 25, CANA—A commission of inquiry has been set up by Belize's Prime Minister George Price to investigate an explosion and fire at a chemical warehouse a week ago.

Prime Minister Price wants the four-man team to investigate why the explosion happened. The investigators will look at safety procedures and try to find out the short and long term effects on the villagers, surrounding land, and crops. They are also charged with determining the sugar industry's impact on the environment in general. They will look at the impact pollutants are having on the region's rivers and waterways. Hospital and fire services will be investigated. Price says the inquiry will be public and he wants its findings and recommendations as soon as possible.

The explosion sent a poison gas cloud over a village in the Orange Walk sugar-producing district. Some 350 villagers had to be evacuated from Chan Ridge after drums of sodium hydrosulfite, owned by Belize Sugar Industries [BSI] exploded in the early hours of November 18. 270 of them had to be treated for symptoms which included headaches, rashes, swollen eyes, and sore throats.

The chemical, which is used to process white sugar, is thought to have leaked. It is explosive when it comes into contact with water. During the previous week, Belize had been experiencing heavy rain. Local firemen were unable to deal with the fire because they did not have breathing apparatus. British Army firemen from Airport Camp had to be called in. It took more than 14 hours to bring the blaze under control. One local officer had to be hospitalised.

The villagers were asleep when the poison gas cloud of sulphur dioxide and hydrogen sulfide covered the area. Teacher Areadin Carillo says they were only told of the emergency at daybreak. Buses were provided by the sugar factory to evacuate them to the town hall in Orange Walk later that morning, but to get there they had to pass through the fumes near the warehouse. Mrs. Carillo says some of the villagers were scared and hid when they saw police arrive. They were later allowed back into their homes.

November 19 was a holiday in Belize, and Mrs. Carillo says it was difficult to find appropriate medicines. She was grateful for help, though, from the factory, which had been paying for treatment and providing transport to the hospital. It has also been suppling water because catchment tanks are contaminated. Doctors went to the village on Tuesday to do a house-to-house treatment and take blood samples.

Despite reassurances from BSI, farmers are worried about contamination of their cane. They also say beans, watermelons, peanuts, and corn have been damaged. Tower Hill's general manager, John MacCarlave, said production of this year's crop will be affected. He said about 50,000 dollars U.S. damage had been caused.

Costa Rica

Calderon Comments on Thatcher's Resignation

PA2211212990 Hamburg DPA in Spanish 1951 GMT 22 Nov 90

[Text] San Jose, 22 Nov (DPA)—Costa Rican President Rafael Angel Calderon declared today that Margaret Thatcher "will pass into history as one of the greatest prime ministers of Great Britain."

Calderon reacted in this manner to Thatcher's announcement that she will leave her post and abandon the struggle to win the presidential candidacy of the Conservative Party. Calderon admitted that in the past 10 years, "in addition to achieving her people's progress, the prime minister set very important examples for the world."

He considered Thatcher's resignation "logical," because in "our democratic systems power weakens, and the Britons logically aspire to having the direction of another leadership. That is what has happened in this instance."

Niehaus: FMLN Accepts Government Proposal

PA2311194790 Hamburg DPA in Spanish 1657 GMT 23 Nov 90

[Text] San Jose, 23 Nov (DPA)—The Salvadoran guerrillas have accepted a Costa Rican proposal that seeks the mediation of UN Secretary General Javier Perez de Cuellar in halting the warlike escalation in El Salvador, it was announced today in San Jose.

Costa Rican Foreign Minister Bernd Niehaus stated that a rebel leader, whom he did not identify, called him on the night of 22 November to notify him that the rebels endorsed the initiative.

On 21 November, the Costa Rican Government urged the UN secretary general to mediate in the search for an end to the warlike actions in El Salvador.

On 19 November the Farabundo Marti National Liberation Front (FMLN) unleashed a strong military campaign in various parts of El Salvador that has resulted in dozens of casualties.

The rebels said that this campaign seeks "to open space in the process of political negotiation" that the government of President Alfredo Cristiani has been carrying out since last April under UN mediation.

Niehaus added that Salvadoran Foreign Minister Jose Manuel Pacas has also voiced appreciation for the Costa

Rican initiative, which has the support of the other Central American countries. He added that Mexico and Canada also voiced support for the Costa Rican call.

Miguel Saenz, one of the FMLN leaders, said on 20 November that the military campaign also seeks to undermine the Salvadoran Government's "capacity for resisting" to make it possible to make progress in the negotiations.

Saenz said that this week's offensive has "limited purposes," but he warned that the FMLN reserves the right to launch a greater offensive if the dialogue process does not show any improvement.

FMLN Offical Confirms Missile Possession

PA2611203290 Hamburg DPA in Spanish 1915 GMT 26 Nov 90

[Text] San Jose, 26 Nov (DPA)—The Salvadoran guerrillas in San Jose today confirmed that they have surface-to-air missiles, which they used to down a Salvadoran Air Force A-37 plane last week.

During a news conference, Miguel Saenz, member of the Farabundo Marti National Liberation Front's (FMLN) Political-Diplomatic Commission, said that the rebels have SAM-7, SAM-14, and "Redeye" missiles in their arsenals. The latter, which are U.S.-made, are the ones that the Nicaraguan contras obtained in 1986 and used to down nearly 20 Sandinist Air Force helicopters during the civil war that rocked that country between 1981-1988.

Saenz added that the rebels recently submitted an initiative to UN Secretary General Javier Perez de Cuellar proposing an overall negotiating agreement [acuerdo global de negociacion] between late December and January.

More on Origin of Missiles

PA2611231890 Hamburg DPA in Spanish 2023 GMT 26 Nov 90

[Report by Ernesto Ramirez]

[Text] San Jose, 26 Nov (DPA)—The Farabundo Marti National Liberation Front (FMLN) of El Salvador confirmed in San Jose today that it has surface-to-air missiles that it used to shoot down a Salvadoran Air Force A-37 plane last week.

During a news conference, Miguel Saenz, member of the FMLN political-diplomatic commission, said the rebels have SAM-7, SAM-14, and U.S.-made Redeye missiles in their arsenals. The latter are similar to the ones purchased by the Nicaraguan contras five years ago. Using these rockets, the Nicaraguan contras shot down nearly 20 Sandinist Air Force helicopters during the civil war that shook Nicaragua between 1981 and 1988.

In addition, Saenz revealed that the rebels sent a letter to UN Secretary General Javier Perez de Cuellar recently, in which they propose the signing of an overall negotiation agreement in El Salvador between late December and late January.

As for the missiles, Saenz said the FMLN had not used them previously because they were training their men to use them effectively. He also said that last year some missiles were used unsuccessfully because of the lack of personnel with the proper training to use such weapons.

The rebels' use of missiles creates a new profile in the conflict that has been rocking El Salvador for the past 10 years. The guerrillas themselves recognized that up until now they did not have the necessary capability to neutralize the Salvadoran Air Force, which played a key role during the fierce offensive launched by the FMLN in San Salvador a year ago.

The rebels have been carrying out a strong offensive for the past week in various parts of the country, which, according to Saenz, is aimed at "opening room for negotiation."

Last Friday, for the first time, FMLN rebels shot down an A-37 plane with a surface-to-air missile in the eastern department of Usulutan, according to the government.

In the past seven years, the Salvadoran Air Force has strengthened itself with planes of this type and UH-1H helicopters to support infantry troops and face the unexpected rebel attacks. Officials and pilots from the Salvadoran Air Force have not hidden their concern in the last few days in view of the evidence that the rebels have these types of weapons.

In November of last year, when the Sandinists were still in power in Nicaragua, a plane that, according to the Salvadoran Army, was coming from Nicaragua crashed in Usulutan. The plane was carrying 10 (Soviet-made) SAM missiles and other weapons. As a result of the incident, the Sandinists were accused of delivering surface-to-air missiles to the FMLN, and this led the government to decree the suspension of diplomatic relations with Managua.

As for the proposal made to Perez de Cuellar, Saenz said it is aimed at reaching an agreement between late December and January which would allow the peace process to make progress in El Salvador. The initiative is first aimed at reaching an agreement on the Armed Forces issue, and then a second agreement on human rights, constitutional reforms, and the judicial branch. The points included in the initiative are stipulated in the so-called Caracas Agenda, agreed on by both sides in the Venezuelan capital in May, which has served as a foundation for the subsequent round of talks held by the government and the guerrillas with the mediation of the United Nations.

Saenz said the FMLN military campaign has achieved "its military objectives," and he reiterated that "it should not be excluded from the negotiation process."

In the framework of this offensive, the Salvadoran rebels have announced their decision to turn their military forces into an "army," with structures, miltary doctrine, and promotion lists similar to a professional institution.

Saenz said the rebels have not ruled out the option of a "military victory" in El Salvador, but he admitted that "it is not the most available option," and therefore the guerrillas will continue to insist on a "negotiated political solution."

[In a similar report on the news conference by Miquel Saenz in San Jose, Costa Rica, Panama City ACAN in Spanish at 2210 GMT on 26 November reports that "the missiles in the hands of the rebel organization were captured from the government of their own country during last year's November offensive." Saenz also said that the plane "shot down in Usulutan last week was carrying 10 SAM-7 and several Redeye missiles, although the latter were not mentioned in the news."]

FMLN Proposes Cease-Fire for Jan 1991

PA2611190390 Panama City ACAN in Spanish 1822 GMT 26 Nov 90

[Text] San Jose, 26 Nov (ACAN - EFE)—The Salvadoran guerrillas revealed a proposal today in Costa Rica to the Salvadoran Government for a cease-fire agreement in January 1991, on the condition that an agreement on the Armed Forces is reached before 1990 ends.

Commander Miguel Saenz, of the political-diplomatic commission of the Farabundo Marti National Liberation Front (FMLN), indicated that the UN Secretariat has received the terms of this initiative.

The details of the proposal were not disclosed due to a commitment to maintain the secrecy of the negotiations.

Government Orders 4-Percent Cut in Fuel Prices

PA2311205690 Panama City ACAN in Spanish 1911 GMT 21 Nov 90

[Text] San Jose, 21 Nov (ACAN-EFE)—Official sources have reported that the Costa Rican Government ordered a 4.09-percent reduction in fuel prices today. The price of fuel has suffered a 70-percent increase this year.

Francisco Cordoba, director of the National Electricity Service, reported that the reduction will go into effect this week once the order is published in LA GACETA, the Costa Rican official daily.

The price of a gallon of gasoline (3.8 liters) will be reduced from $1.94 to $1.86, and the price of a gallon of diesel from $1.52 to $1.46.

El Salvador

FMLN Claims Missile Use Since 1989

PA2711031890 Hamburg DPA in Spanish 0156 GMT 27 Nov 90

[Text] San Salvador, 26 Nov (DPA)—The Salvadoran guerrillas said today that the use of missiles against the Air Force is nothing new, and that in 10 years of war they have downed at least 10 army aircraft with all types of artillery.

The FMLN [Farabundo Marti National Liberation Front] says that among the blows it has dealt the Armed Forces was the downing of a helicopter in June 1982 in the Morazan area in northeastern El Salvador, in which then Defense Minister Colonel Francisco Adolfo Castillo was traveling. Castillo had been kidnapped and held for several months until his release was negotiated; he later served as military attache in Bonn.

In October 1984, the FMLN source states, another helicopter was downed in Morazan during an Air Force operation. Several military commanders from the eastern zone were killed, including 3d Brigade Commander Domingo Monterrosa, considered a military leader.

The FMLN issued the communique in response to the government's condemnation and concern within the Armed Forces about the downing of a Dragonfly airplane on 23 November in the Santa Elena area, 118 km east of the capital. One SAM-7 was used, killing one pilot.

The guerrillas maintain that on this occasion an armored Cessna-02 surveillance plane was downed in Usulutan, where harsh clashes have been staged over the past few days, and today, 26 November, a helicopter was downed in Jiquilisco, also in Usulutan Department.

The FMLN contends that it has been using missiles in aerial combat since November 1989 and that in addition to the SAM rockets it has U.S. Redeye-type rockets. The FMLN reports that in 1983, without disclosing the month, it downed a A-37 fighter bomber with antiaircraft machine guns, and in November 1989 another A-37 was downed in San Miguel.

The FMLN's records show that in 10 years of war the organization has downed 24 helicopters, four armored Cessna-02 surveillance planes, one C-123 troop transport plane, and three A-37's.

Concerning the use of the missiles, political leader Guillermo Manuel Ungo said today that the FMLN's possession of surface-to-air missiles would change the face of the war, but at the same time it would bring a negotiated resolution of the conflict within reach.

Furthermore, Ungo said, this is not the first time that this has happened in Central America, nor is it such a case of audacity when one recalls that the Nicaraguan "contras" officially received "hundreds of missiles, many of which are currently on the open market," from the US. Government for the anti-Sandinist struggle.

Defense Official Downplays FMLN Missiles

PA2711045390 San Salvador Canal Doce Television in Spanish 0300 GMT 27 Nov 90

[Passages in italics are recorded]

[Text] Salvadoran Deputy Defense Minister Colonel Orlando Zepeda has said that the FMLN's [Farabundo Marti National Liberation Front] use of missiles will not give the guerrillas a military advantage over the Armed Forces. Nevertheless, Zepeda said that the Air Force is preparing a set of military plans that will allow it to confront this new guerrilla weapon.

[Zepeda]*In my opinion, this constitutes an intensification of the war, an effort to use the elements of war and violence to gain an advantage in the talks at the negotiating level or at the international level.*

The military leader does not feel that the use of missiles will tip the balance in the FMLN's favor because missiles are weapons the precision of which depends on their effective use. Zepeda said that on previous occasions the guerrillas had used SAM-7 missiles, but it was not until the past weekend that they managed to down an Air Force plane.

[Zepeda]*I would say that if the FMLN wants to demonstrate its military efficiency, it will not do so with [words indistinct], bombs, or these missiles. Missiles are fired by men. In other words, military efficiency cannot be measured in terms of improved capabilities. I believe that this is a sign of desperation.*

Even though the deputy defense minister feels that the use of missiles constitutes guerrilla propaganda, the Army is preparing a special plan that will allow it to confront this new type of guerrilla weapon and maintain the air superiority of the Armed Forces.

[Zepeda]*Of course, this surpasses our capabilities—or rather our defense capabilities—but it can be counteracted. In other words, these missiles are not, I repeat not, completely secure. I have been told that when Honduras was engaged in a border conflict with Nicaragua, the Sandinists fired a number of missiles on Honduran border patrols, but they never hit them; they missed their targets and were not very effective. I repeat, we will try to train our people and our pilots to evade these devices.*

The military leader said that the missiles that the guerrillas are beginning to use are part of a shipment that the Armed Forces had reported. The Army had asked the Sandinist government to stop logistically supplying the FMLN. Nevertheless, it is impossible to state the number of missiles that are in the guerrillas' hands.

Offensive Reportedly Meant To Pressure Government

PA2511220990 Hamburg DPA in Spanish 1450 GMT 24 Nov 90

[Text] Munich, 24 Nov (DPA)—Lorena Guadalupe Pena Palacios, member of the FMLN [Farabundo Marti National Liberation Front] political-diplomatic commission, said in Munich today that with the military offensive carried out in the past few days the FMLN has wanted to pressure the government of President Alfredo Cristiani into negotiating rather than trying to seize power.

Pena Palacios, whose nom de guerre is "Commander Rebecca," is visiting Munich on an invitation by the Social Democratic Party (SPD) and the Green Party as part of a tour through Europe to explain the progress of the negotiations in the pacification process in El Salvador, where the civil war has been raging for 10 years.

Pena said: "Although the U.S. State Department condemns our initiatives, we believe that the United States has taken important steps to reach a peaceful solution, such as cutting the military aid for the Salvadoran Government by 50 percent."

She added: Although the human rights violations by the conservative government have not decreased, the FMLN's situation improved this year because a concerted effort has been started with several parties and groups of all political trends.

"The Cristiani government is isolated both here and abroad. It is being questioned by all sectors, and it is militarily bogged down because it can show no victories for this year," the FMLN spokeswoman said.

According to her, even the United States appears to be somewhat reluctant to support a government that has proven more troublesome than beneficial, and which does not wish to lose even more face since the Jesuit priests were killed by government troops in November of last year.

The FMLN rejects the implementation of the Esquipulas II Agreement because it did not participate in its drafting and because it was signed unilaterally in 1987. The FMLN prefers to adhere to the treaty signed in Geneva in April, which, among other things, stipulates the gradual and uniform disbanding of the Army and the FMLN once a peaceful solution is agreed upon.

Rebels Shoot Down Military Helicopter

PA2611214690 Paris AFP in Spanish 2018 GMT 26 Nov 90

[Text] San Salvador, 26 Nov (AFP)—Military sources have reported that a Salvadoran Air Force UH-1H helicopter was shot down today by guerrilla forces in what represents the third action of this type in less than one week by the leftist Farabundo Marti National Liberation Front (FMLN).

The downing of the (U.S. made) UH-1H occurred at 0920 (1520 GMT) in the sector of Jiquilisco, 100 km east of the capital, in the same region where another A-37 airplane was shot down with a missile on 23 November. An army soldier interviewed by Radio Cadena YSU in Jiquilisco said that the helicopter was hit by the guerrilla forces' anti-aircraft fire as it was supporting the 6th Infantry Brigade's land forces, which were engaged in fierce clashes with the rebels in the town's outskirts.

"The helicopter was hit and it fell near the coastal highway at the turnoff to Jiquilisco," the soldier said.

An Armed Forces Press Committee (Coprefa) spokesman said in San Salvador, however, that the aircraft sustained "damage" as it was flying over the combat zone and "the pilot was forced to make an emergency landing."

The military spokesman added that both the helicopter's pilot and copilot were uninjured.

The Salvadoran guerrilla forces shot down one A-37 bomber on 23 November during fierce fighting in Santa Elena, 122 km east of San Salvador, in Usulutan Department.

On 20 November one O-2 reconaissance airplane was also shot down.

In all of these cases the Army presented the facts as accidents and emergency landings caused by "mechanical failures," but this weekend President Alfredo Cristiani's government reported that the rebels are using long-range Soviet-made antiaircraft missiles.

FMLN representatives confirmed today in San Jose that, in fact, the guerrilla forces have surface-to-air missiles of the SAM-7, SAM- 14, and Red Eye types and that they are being used in the new military offensive which was launched on 20 November.

Shots, Explosions Heard in San Salvador

PA2711045190 San Salvador LA PRENSA GRAFICA in Spanish 26 Nov 90 p 77

[Text] Two bombs were detonated in two different parts of San Salvador last night. The explosions damaged cables near 17th North Avenue and 1st West Street and Plaza Las Americas.

According to reports by the authorities, the second explosion was intended to damage a bank. It was also reported that shots have been heard on the highway leading to Mariona penitentiary, but the source could not be determined.

There was also alarm in the eastern capital last night when several drums containing chemical products exploded at the Lasser manufacturing plant in Sierra Morena, Soyapango. These chemical products have been exploding since 22 November. When the explosions are heard, the residents evacuate their homes. Last night they took the same action.

Government Responds to Costa Rican Statement

PA2311195090 San Salvador Radio Cadena YSU in Spanish 1400 GMT 23 Nov 90

[Government communique issued in San Salvador on 23 November; read by announcer]

[Text] In light of the announcement made by Costa Rican Foreign Minister Bernd Niehaus to the effect that the FMLN [Farabundo Marti National Liberation Front] has accepted a proposal of the Costa Rican Government—that is supported by the Central American governments—for the UN secretary general to mediate to quickly achieve an end to the warlike actions in our country, the government of the Republic of El Salvador hereby announces the following:

1. The decision of the FMLN leadership to suspend its terrorist offensive against the Salvadoran people will represent a legitimate victory of the citizenry who have courageously and strongly rejected the unjustified aggression.

2. The suspension of the FMLN offensive against the people will also represent an achievement due to the pressure of the international community, which has repudiated the irrational actions of the FMLN to jeopardize the peace process.

3. The Salvadoran people hope that this FMLN decision will not be a political move to recover its international image and that the FMLN will seriously commit itself to respecting the human rights agreement signed in San Jose, Costa Rica. That agreement bans all actions that harm the lives, security, and integrity of the civilian population.

4. The government wishes to express its recognition of the Salvadoran people for remaining united while supporting the professional actions of its Armed Forces, which is carrying out its responsibilities as specified by the Constitution of the Republic.

The government reiterates its unyielding efforts to continue using civilized means to search for peace, which is cherished so dearly by the Salvadoran people. At the same time, it confirms its determination to continue with the pacification process that is being held under the auspices of the UN secretary general with the same good faith and goodwill as expressed since the beginning of the process.

Cristiani on Jesuits Case With Spanish Delegation

PA2311154290 San Salvador LA PRENSA GRAFICA in Spanish 20 Nov 90 p 35

[Text] President Alfredo Cristiani has said he is not discarding the possibility that there are others involved in the murder of the Jesuit priests.

It was reported that he said this during a meeting with Spanish Deputy Foreign Minister Inocencio Arias and a delegation of Spanish deputies who came to El Salvador to commemorate the anniversary of the murder of the Central American University (UCA) priests on 16 November 1989.

He said he does not reject the possibility of more people being involved because the trial, which is being conducted by Fourth Penal Judge Ricardo Zamora, is not over yet.

Cristiani told the delegation of deputies, relatives of the slain priests, and reporters that one must bear in mind that different hypotheses always emerge during trials, and that one of these hypotheses could be that there are other people involved in the case.

He said that he can not say whether other people are involved or not, but that if there are, the presiding judge will adopt the necessary measures.

Cristiani said that his government is cooperating fully with the investigation of the murder of the UCA Jesuit priests, as everyone in El Salvador can see.

He said that there have been no complaints about Judge Zamora presiding over the case.

Honduras

Nicaraguan Contra Camp in Yamales Closed

PA2311154090 Panama City ACAN in Spanish 1854 GMT 20 Nov 90

[Text] Tegucigalpa, 20 Nov (ACAN-EFE)—The Honduran Government today closed the Yamales camp, which had served as headquarters for the former Nicaraguan contras for approximately 10 years.

The closing ceremony was held in Yamales, on the border with Nicaragua. It was attended by Honduran civilian and military authorities and representatives of the UN Observer Group in Central America (ONUCA) and the United Nations Office of High Commissioner for Refugees (UNHCR).

The hospital that the contras used to attend to their wounded fighters and their relatives during their stay in the eastern sector of Honduras was officially turned over to the government by representatives of the International Commission of Support and Verification (CIAV).

According to Colonel Abraham Garcia Turcios, president of the National Refugee Commission (Conare), 18,000 Nicaraguan contras—of the 37,119 registered in 1990—are still in Honduras.

The voluntary repatriation and food assistance program for the anti-Sandinists, coordinated by the CIAV, will end on 24 November.

Nicaragua

Macuelizo Mayor Released; Other Hostages Retained

PA2411170490 Managua Radio Sandino in Spanish 1213 GMT 24 Nov 90

[Text] [Announcer] Here is Adolfo Livas reporting live from Esteli on the kidnapping and subsequent freeing of the Macuelizo mayor and other incidents in that northern township and in Esteli.

[Livas, in progress] ...have been released and handed over to the CIAV [International Commission of Support and Verification] by the demobilized contras. Nevertheless the demobilized contras are still holding 17 people hostage, including seven teachers and six Sandinist National Liberation Front [FSLN] sympathizers, whom they will not set free until a high-level government commission arrives.

The demobilized contras from Macuelizo are requesting the dismissal of Sandinist Mayor Santos Caceres; the handing over of land; and the immediate withdrawal of FSLN troops from the Ococona municipality, Macuelizo.

The Sandinists Rodolfo Guzman Aguilera, [name indistict], and Antonio Caceres Zamora erected a barricade near Ococona in response to the demands of the demobilized contras. They are holding five UNO [National Opposition Union] members hostage; these UNO members worked as polling monitors during the elections. According to the Sandinists, the UNO members will not be set free until the demobilized contras leave the Macuelizo municipality.

Eight CAUS [Central Organization of Trade Union Action and Unity] leaders tried yesterday to take over the (Oscar Tursi Chavarria) tobacco company installation in Esteli but were stopped by 500 workers. The police prevented the agricultural workers from lynching the intruders. The CAUS leaders—in support of government privatization plans—tried to take over the machine workshop, administrative offices, and other buildings; they also tried to steal vehicles. But the workers said that the (Oscar Tursi Chavarria) tabacco company belongs to the workers. From Region 1, this is Adolfo Livas.

[Annoucer] Just a minute Adolfo, we want you to explain to us what happened to the Macuelizo mayor? Where is the mayor?

[Livas] Mayor Santos Caceres Zamora and First Lieutenant Jose Ballestillo have been released. Jose de la Cruz Gonzalez, who is a policeman, was also released. These three persons were handed over by the contra members to the CIAV representatives in Ocotal. They are, however, still holding the local judge and his secretary, six teachers of that community, and six unidentified FSLN sympathizers.

[Announcer] We also want you to tell us what the regional high-level authorities are doing to rectify this situation, particularly in Ocotal Department?

[Livas] Up until now the Ocotal police have not been able to enter the area. The police force claims that the Government Ministry has not given the orders to find a solution to the Macuelizo situation, which has now extended into the Ococona community. Other municipalities, such as Santa Maria, have also been barricaded, and the Quilali, San Juan, Jicaro, and Murra Municipalities are blocked in Region 1. This means that in Region 1 there are almost six municipalities that are barricaded. We asked Crisanto Castillo, the Government Ministry delegate in Region I, about the true demands of the UNO radicals and the demobilized contras. Castillo replied that he has not received any official written request. The situation in the region is very serious.

[Announcer] Thank you for the information, Adolfo. President Chamorro will have to send in an emergency delegation to solve this problem in Macuelizo—as was done in Region 5 and other territories—before these roadblocks extend to the entire northern region of Nicaragua and the situation becomes more serious.

Labor Union Group Occupies Radio Nicaragua

PA2711024290 Paris AFP in Spanish 0110 GMT 27 Nov 90

[Text] Managua, 26 Nov (AFP)—Some 50 employees from Radio Nicaragua, the official mouthpiece of the government, peacefully occupied its installations today without interrupting the daily programming.

A labor union leader said the occupation is "for an indefinite period of time," until the authorities dismiss several Radio Nicaragua officials accused of being "repressive and arrogant."

"If there is no solution, we could suspend the programming," the labor union leader said.

So far, no incidents have been reported on either side and the police have not been called.

This is the second time since President Chamorro came to power last April that employees have protested against the adminstration.

Removal of Government Ministers Still Demanded

PA2611215090 Managua Sistema Nacional de Television Network in Spanish 1935 GMT 26 Nov 90

[Text] Mayors from Region 5 have reiterated their demand for the removal of Humberto Ortega, Antonio Lacayo, Carlos Hurtado, and the zone's military authorities. The mayors have released a seven-point document reporting that it is the local military authorities who are protecting the large-scale cattle rustlers. The military is also stealing cattle themselves, the document added.

The mayors have called for a meeting to be held on 2 December to demand support for their requests. In their communique, the mayors said: The meeting with the Cabinet was an informative one. The ministers promised much, and we expect them to comply.

Antiterrorist, Antiriot Police Created

PA2611173790 Managua BARRICADA in Spanish 23 Nov 90 p 4

[Text] Government Minister Carlos Hurtado announced on 22 November the creation of an "antiterrorist and antiriot police" as well as specialized treasury, mounted, and antinarcotics corps. For this purpose, Hurtado asked the National Assembly to reconsider the budget assigned to his ministry.

Hurtado said the Government Ministry also plans to create a "civilian intelligence" office, but he did not discuss any details regarding the duties the branch would perform.

During a broad deposition advocating a larger budget, one of Hurtado's arguments was that his ministry will create an office for coordination and assistance to municipalities, and another to execute the personal documentation program, although, according to the law, the second is the duty of the Supreme Electoral Council.

Regarding the personal documentation control, Hurtado explained that they do not intend to replace the Supreme Electoral Council. His intention is to establish a coordination office to serve the ministry's purposes, since he believes that issuing personal documentation not only involves the electoral registry, but also the citizen's identification "which concerns police authorities."

Hurtado appeared before the commission that studies the General Budget of the Republic, which was presented by the Finance Ministry a few days ago and must be approved before 15 December. Hurtado was accompanied by Deputy Government Minister Jose Pallais, National Police Chief Rene Vivas, and other high-ranking government officials.

The Finance Ministry fixed the Government Ministry's budget at 42 million gold cordobas, instead of the 70 million that was requested, thus reducing it to even less than the current budget. Hurtado said "this affects the police's operational capacity, the services to the citizens, and the combatants' social benefits."

Meanwhile, Deputy Government Minister Pallais stated that in the last months the Government Ministry has been kept afloat with foreign aid assets and inventories which were left behind. "We have used up almost all of the inventories," Pallais said.

Hurtado said that he was negotiating foreign aid from countries such as Spain, which will donate vehicles and equipment, and the United States, who will be asked for "special help" to set up an antinarcotics police. This, said Hurtado, will require significant investment in speedboats, aircraft, as well as sophisticated communications systems and other equipment.

Deputy Edmundo Jarquin, on behalf of the Budget Commission, gave his vote of confidence to Hurtado's administration as head of the Government Ministry regarding the measures implemented for the security of citizens and the maintenance of law and order.

Jarquin said that the Budget Commission will review the budget adjustments presented by the Government Ministry with a positive attitude, keeping in mind that the budget assigned is the lowest in Central America.

Staff, Equipment Needed To Disarm Civilians

PA2511163290 Managua Radio Sandino in Spanish 1200 GMT 24 Nov 90

[Text] Speaking before the National Assembly's Human Rights Committee, Government Minister Carlos Hurtado has noted that, despite the many efforts his ministry has made to effectively and completely disarm civilians all over the country, his ministry needs personnel and equipment to fully achieve this objective.

The Assembly's committee is investigating murders in which members of the Armed Forces members have been implicated. The minister told the congressmen that despite the lack of technical resources to disarm civilians, over 30,000 weapons were seized from civilians all over the country between July and October. In addition, National Police Chief Commander Rene Vivas said civilians are carrying weapons that were handed to them in the past to defend the country. Moreover, the contras did not turn all their weapons over to the CIAV [International Support and Verification Commission], he stated. Rene Vivas said that a large number of weapons are in the hands of criminals. He denied that civilians were given weapons after 25 February.

PCDN News Conference Rejects Accusations

PA2511121790 Managua BARRICADA in Spanish 21 Nov 90 p 5

[Text] Politicians and deputies of Agustin Jarquin's National Confidence Party [PCDN], whom the government had accused of plotting to destabilize President Violeta Chamorro, have maintained their rebellious attitude and attacked the government.

Azucena Ferrey, Humberto Castilla, and Agustin Jarquin Anaya, accompanied by other PCDN deputies and politicians, gave a news conference at their party headquarters on 20 November to reply to the government's accusations.

During the news conference they accused ministers Antonio Lacayo, Carlos Hurtado, and Danilo Lacayo of being "coresponsible of abetting tricks and ploys against them."

Azucena Ferrey said, "I do not mind 'vulgarizing' this situation, because there has been an atrocious mockery of the people. I am not ashamed of having been and still being a contra."

Ferrey accused the government of plotting to kill her, former National Guard Colonel Enrique Bermudez, and former contra leaders "Invisible" and "Nahualt." She did not mention the two contras' real names.

Ferrey supported Agustin Jarquin Anaya, who a few minutes earlier had warned that "the country's stability depends on solving the people's demands." They said they will continue to "be the channels for the peoples' just demands."

Jarquin said that the evidence presented by the government on 19 November, based on statements and letters written by Aristides Sanchez, is "a plot prepared by the radical sector of the FSLN [Sandinist National Liberation Front] to alienate the government from the support of the people and democratic leaders."

Jarquin, in a clear reference to ministers Lacayo and Hurtado, said that "it is regrettable that some people fall prey to these gross tricks."

Meanwhile, Azucena Ferrey, accused by Aristides Sanchez of being one of the masterminds behind the plot, made several contradictory statements when trying to rebut the evidence presented by the government.

Ferrey stated that yesterday she spoke over the telephone with Aristides Sanchez, who supposedly had called her "to apologize for having been forced to sign" the letters and statements presented on television by the government.

Ferrey later said, however, that a few minutes ago she had talked with Deputy Frank Duarte, who had confided to her that he had also communicated with Aristides Sanchez over the telephone, adding that Sanchez had told him (Duarte) that the documents presented by the government "are neither signed nor handwritten by Aristides Sanchez."

BARRICADA asked Ferrey who was lying—she or Frank Duarte—because she said that Sanchez had been forced to sign, while Duarte said that Sanchez had not signed anything.

Ferrey became confused and did not know what to reply, and finally simply said: "I repeated what Sanchez said to me, and this is what Frank Duarte told me afterward. It would be better if you telephoned Aristides in Miami and have him clarify this."

Ferrey reported that the government could be preparing an attempt on her life and the lives of Enrique Bermudez and two other former contra leaders, following a DIPP

[Directorate of Press and Information of the Presidency] communique which states that "necessary measures will be taken to ensure the complete return to normalcy."

Deputy Humberto Castilla announced to the press that minutes before he had been told from Juigalpa that the mayors—who are in "permanent session"—had decided to suspend a meeting scheduled for today with Vice President Virgilio Godoy in Managua and to take part in today's government Cabinet meeting in Juigalpa.

Last, the PDCN politicans announced they will request the National Assembly's defense commission—presided over by Adan Fletes, of the same party—that Government Minister Carlos Hurtado be summoned to explain what was meant by "the ploy by radical Sandinist sectors."

New Television Channel Begins Broadcasting

PA2311223190 Managua Radio Sandino in Spanish 1200 GMT 16 Nov 90

[Text] A new television station, Channel 2, will begin airing today, thus opening a new era of television in Nicaragua. Channel 2, operating as a mixed commercial venture enterprise, will officially begin transmitting today with modern audio and video equipment.

The enterprise, identified as Channel 2, will initially transmit programs recorded abroad and several television soap operas, which have been successful with the Spanish-speaking viewers in the United States.

Octavio Sacasa and his wife Marta Sacasa are the administrative directors. Before 1979 they were important partners of Televicentro of Nicaragua, which had a vast array of television repeater channels in the interior of the country.

Channel 2 will air as a result of a commercial agreement between the government of Nicaraguan President Violeta Chamorro and businessman Octavio Sacasa Rascosci, who has brought modern audio and video equipment into the country. Only the antenna of the old Channel 2 is being used. It will be replaced in a few months in view of its deteriorated condition, Sacasa told our newscast.

Today at 1800 Oscar Miranda, who is sales manager for Channel 2, other former employees of Televicentro, and Sacasa himself will make the presentation of their programming, followed by a toast at the Terraza restaurant.

The station's transmitter has 20 kilowatts of power and, according to the early reports, is received as far as Ocotal City.

Panama

Cruz on Arms Smuggling From Costa Rica

PA2311170090 Panama City EL SIGLO in Spanish 22 Nov 90 p 5

[Report by Aneldo Arosemena]

[Text] Attorney General Rogelio Cruz has confirmed the existence of arms smuggling into Panama from Costa Rica. The weapons are meant for groups who oppose the democratic government and who will eventually carry out destabilizing activities.

An official source told EL SIGLO that all day yesterday David Superior Prosecutor Emilio de Leon held talks with Costa Rica's Judicial Investigation Agency, OIJ at the Paso Canoas border area. These talks were aimed at finding ways to develop joint methods of ending the arms smuggling taking place at the border, presumably to arm former members of the defunct Defense Forces and Dignity Battalion. These groups are gathering arms and training to prepare for actions against the government presided over by the Palace of Herons [presidential palace] tenant.

Ricardo Arias Calderon, minister of government and justice and first vice president, denied that any armed groups had been found, but the attorney general said that there is evidence that these armed groups do exist. Justice Department agents in Chiriqui Province have discovered that groups who oppose the democratic government have been camping and training in the mountains of Chiriqui Province. "We have found, through the Chiriqui Province prosecutors, some evidence that groups had been camping; however, we will continue to investigate. There is no great difference between this and what the government minister said," the attorney general said.

The attorney general added that his office is investigating the alleged guerrilla recruitment by "Junir" Echevers that is aimed at destabilizing the government. He said that even though there has been no confirmation up to now of active groups, arms smuggling into Panama from Costa Rica has taken place. Another source told us that this was probably why Prosecutor Emilio de Leon met with police and investigators at the Paso Canoas border area. This is meant to stop the arms smuggling and arrest those responsible.

The attorney general was emphatic when he said he did not want to immediately link former Police Colonel Eduardo Herrera to the arms smuggling. He added, however, that the authorities are investigating to determine Herrera's involvement. In due time, the results of the investigation will be released.

An official source linked to the Justice Department confided to EL SIGLO that there is documentary evidence that proves that dissatisfied groups, who are linked to the Dignity Battalions and former members of the now-defunct Defense Forces, are meeting and collecting arms to use force against the current government. The source hinted that something could happen during the 5 December 24-hour strike called for by labor and government unions.

Weapons Traffic Across Borders Viewed

PA2511020990 Panama City CRITICA LIBRE in Spanish 23 Nov 90 pp 1, 16

[Report by Juan Pritsiolas]

[Text] Junior Echevers, leader of the Hugo Spadafora Armed Liberation Front (FLASH), and three leaders of the Nicaraguan contras—possibly including Commander Zero, or Eden Pastora—are reportedly operating a black market in weapons in Central America. This group is reportedly thinking of sending 100 AK-47's from Nicaragua to Panama. The shipment of weapons is expected to enter the country in late November or early December.

Even though no Panamanian authority has commented on the version obtained by CRITICA LIBRE, it was learned that there are good leads on the way the traffic of weapons across the border from Costa Rica into Panama is carried out.

CRITICA LIBRE correspondents in the Paso Canoa area said that the AK-47's are brought into Panama and then sold to Colombians for $1,000 each. The contact is made in Nicaragua, where the weapons that the contras did not surrender to the government during the disarmament period are bought.

It seems that the Panamanian authorities are trying to stay ahead of the possibility that this black market in weapons could develop into a subversive movement, especially because of the presence at the border of members of the Santa Maria Patriotic Organization (OPS), which allegedly has contacts with Libya.

Members of the OPS were linked to the robbery of the Banco Exterior in Chiriqui (in 1988) and the attack on the Costa Rican- American center. Costa Rican and Panamanian citizens are members of the organization.

Within the framework of this situation, the Defense and Public Security Committee, which advises President Guillermo Endara, met yesterday at the Presidential Palace. Government Minister Ricardo Arias Calderon said that they discussed "national security" during the meeting.

He repeated that there is no proof of subversive camps or rebels in Chiriqui Province, as some media sources have reported.

Arias Calderon did say, however, that illegal products could be brought across the border and that the government is looking into this.

The president of the Republic and the government, foreign, and planning ministers are members of the Defense and Public Security Committee. They are advised by Public Force directors.

Refugees, Conep To File Suits Against U.S.

PA2411170390 Panama City EL PANAMA AMERICA in Spanish 23 Nov 90 p 12-A

[Report by Juan Pritsiolas]

[Text] Over 300 El Chorrillo war refugees signed documents yesterday that authorize Attorney Graciela Dixon to file a suit against the U.S. Government for reparation from the invasion.

The Panamanian lawyer plans to travel to New York City and Washington within the next few days to coordinate with U.S. lawyers on the presentation of claims for the damages caused during the 20 December invasion.

Like the El Chorrillo residents, the National Council of Private Enterprise (Conep) hired the local law firm, De Castro and Robles, to file a similar suit against the U.S. Government for the damages caused during its intervention in Panama. The damages have been estimated at one billion balboas.

The U.S. Congress approved 420 million balboas of economic aid for Panama last May. Only $96 million have been received so far.

Endara Sends Thanks to Thatcher for Support

PA2611225190 Panama City Circuito RPC Television in Spanish 1730 GMT 26 Nov 90

[Text] President Guillermo Endara has sent a formal note to British Prime Minister Margaret Thatcher thanking her for all the support that her government has extended to the democratic struggles of the Panamanian people and government. The note adds the following: I wish to thank you for Your Excellency's solidarity during the trying times that our country has experienced, which has inspired the noble causes that our government intends to pursue in bringing about well-being and happiness for those who made selfless sacrifices.

Court Rejects Writ of Amparo for Diaz Herrera

PA2411011190 Panama City EL DIARIO INDEPENDIENTE in Spanish 22 Nov 90 p 22

[Report by Lionel Blaisdell]

[Text] Special Superior Prosecuting Attorney Carlos Augusto Herrera said on 21 November that the Supreme Court of Justice did not accept the constitutional guarantees of writ of amparo filed by Diogenes Arosemena Grimaldo in favor of former Colonel Roberto Diaz Herrera. Diaz Herrera is in Venezuela where he voluntarily sought asylum.

Prosecuting Attorney Carlos Herrera said, "I ask the lawyers involved in this case to respect the public officials." He added that the bail for some of those accused in the Hugo Spadafora case has been increased from 2,000 to 10,000 balboas.

Herrera also said that it is possible that some of the 25 accused persons could be freed on bail. He said that Jaramillo, one of the accused persons, has the right to go free.

Herrera told reporters that the case of former Attorney General Manuel Jose Calvo was dropped because he did not take part in rigging the elections.

About former Colonel Roberto Diaz Herrera, the prosecuting attorney said that he had been studying some Venezuelan laws and that it is possible that the Venezuelan Government will not extradite him. "I insist on saying that he is responsible," he said, but if he cannot be extradited the proceedings will continue in his absence, as is the case with Manuel Antonio Noriega.

Colina Candidates, Others Withdraw From Race

PA2411153690 Panama City EL PANAMA AMERICA in Spanish 23 Nov 90 p 1A

[Report by Carlos Vargas]

[Text] According to a report by the Directorate of Electoral Organization of the Electoral Tribunal, 64 corregimiento representative candidates—mostly members of the former pro-Noriega government alliance Colina [National Liberation Coalition]—submitted their resignations and will not participate in the upcoming partial elections to be held on 27 January, 1991.

The report adds that one candidate withdrew from the race in the Province of Bocas del Toro; three in Colon; 15 in Chiriqui; four in Los Santos; 17 in Panama; 11 in Veraguas; two in Cocle; three in San Blas Intendancy; one in Darien; and seven in Herrera.

Five legislature candidates, who were going to run for office in the upcoming 27 January partial elections, have also submitted their resignations.

The corregimiento, council, and legislature candidates have said that one of the reasons they are pulling out of the race is that they have little chance of being elected in their respective districts. They feel that they cannot compete with the most popular candidates, reported a source from the Directorate of Electoral Organization.

In some electoral districts, the Electoral Tribunal is considering the possibility of holding partial elections only in some voting tables; therefore, there are candidates who have no chance of winning, according to sources from the Directorate of Electoral Organization.

On 27 January 1991, nearly 250,000 Panamanians will elect 160 corregimiento representatives, 10 councilmen in five districts, and nine legislators.

'Source' Warns of M-20 Terrorist Attack

PA2511000190 Panama City EL SIGLO in Spanish 24 Nov 90 p 6

[Report by Andres Davila]

[Text] Manuel Burgos, Panama City's deputy mayor and a National Civic Crusade leader, has publicly charged that the M-20 [20 December Movement] urban guerrillas will stage a terrorist attack on 20 December and that the attack is being organized in Costa Rica. According to Burgos, M-20 intends to initiate a series of attacks to destabilize the democratic government.

Statements made by a reliable source in Costa Rica reveal that the M-20 has hired Nicaraguan, Hungarian, Czechoslovak, Costa Rican, and Peruvian mercenaries, all of whom have extensive terrorist training. Their set goal is to triumph, and the weapons to be used are AK's being brought in through Coto Brus in Costa Rica.

According to information supplied by Burgos, the Panamanians are the only ones who are apparently ignoring the fact that they are the guerrillas' target, given that everyone in Costa Rica is aware of this. We learned that the mercenaries meet in the Plaza in San Jose, Costa Rica, and that the movement is lead by Tito Torres [not further identified] who is currently in Costa Rica.

Meanwhile, it was also learned that the Purcell brothers [former Panama Defense Forces officers] are in Costa Rica and involved in this movement. The mercenaries are being prepared and trained on a farm belonging to the Purcell brothers, located in Guanascate, Costa Rica, near the border and on the banks of a stream.

Deputy Mayor Burgos also said that it would be no surprise if the terrorist attacks take place, but we should be prepared for them. He also stated that the government has knowledge that certain Noriega sympathizers have received aid and weapons from Mexico, Venezuela, and other countries that still support the Noriega henchmen. Burgos said, however, that little by little things will clear up and the rebels will fail.

Argentina

PLO Requests Menem's Intervention in Talks

PY2411142490 Buenos Aires TELAM in Spanish 0223 GMT 24 Nov 90

[Text] Buenos Aires, 23 Nov (TELAM)—The PLO Press Bureau in Buenos Aires has asked President Menem to "share in the efforts" of Palestine leader Yasir 'Arafat and Israeli Prime Minister Yitzhaq Shamir to establish a dialogue to peacefully resolve the Arab-Israeli conflict.

A communique signed by Suhayl 'Aql, head of the PLO Press Bureau, states: "The Palestinian people believe President Menem has a chance to contribute to the establishment of a definitive peace for Palestinians and other people in the region."

The Palestinians ask Menem in the communique to "try to convince Israeli leaders to accept a UN-sponsored international peace conference with the participation, on equal footing, of Israel and PLO members representing the Palestine-occupied territory, to make possible the establishment of two sovereign states: Palestine and Israel."

Navy Chief on Exporting Warships, Gulf Mission

PY2511201090 Buenos Aires DYN in Spanish 1230 GMT 24 Nov 90

[Text] Mar del Plata, 24 Nov (DYN)—Navy Chief of Staff Admiral Jose Ferrer has confirmed that the Navy is interested in exporting warships built in Argentina as a way to "attract foreign currency and aid Argentine industry." He said ships have been offered to "several countries" through the Defense Ministry but did not mention any responses to the proposal.

It was learned some time ago that the Navy wanted to sell two TR-1700 submarines being built at the Domecq Garcia shipyards and two missile ships under construction at the state shipyards and naval factories in Rio Santiago.

Ferrer made these statements to reporters after presiding over a ceremony in which Ship-of-the-Line Captain Miguel Rela was installed as chief of the submarine fleet headquartered in Mar del Plata.

During the ceremony Ferrer also referred to the privatization of state-owned enterprises, the reorganization and reductions to be carried out by the Navy, and the mission of the destroyer "Admiral Brown" and the corvette "Spiro" in the Gulf of Oman.

He said the Navy "is engaged in two very important tasks: the reorganization within the Navy and the privatization of enterprises belonging to the Navy." He added that "the Navy supports the state privatization process" and is aware "of the important tasks carried out by civilian personnel assigned to specific technical operation tasks."

Regarding the mission of the Admiral Brown and the Spiro in the Gulf of Oman, which, along with U.S. and Australian warships, are intercepting cargo ships and controlling Iraqi trade, Ferrer said that "the mission is being conducted successfully." He ruled out the possibility of reinforcing the naval units but made it clear that "in time, the government will decide whether to relieve the forces."

Romanian Prime Minister Arrives in Buenos Aires

PY2611024690 Buenos Aires TELAM in Spanish 0147 GMT 26 Nov 90

[Excerpt] Buenos Aires, 25 Nov (TELAM)—Romanian Prime Minister Petre Roman arrived tonight on an official visit to Argentina. The Romanian chief of state arrived at Ezeiza International Airport today at 2000 [2200 GMT] on a private flight. He was received by Foreign Ministry officials.

Tomorrow at 1000 Roman will be received by President Carlos Menem, with whom he will sign cooperation agreements including [words indistinct] in the economic, trade, nuclear, and cultural fields. [passage omitted]

Roman on Talks With Menem

PY2611230690 Buenos Aires TELAM in Spanish 1321 GMT 26 Nov 90

[Text] Buenos Aires, 26 Nov (TELAM)—President Carlos Menem and Romanian Prime Minister Petre Roman agreed today on stating that their two governments "are at the same stage" and are determined to implement a policy aimed at "discontinuing state monopoly and achieving, among other things, a healthy economy."

The Romanian prime minister, who is visiting our country, made these remarks today to reporters at Government House after meeting with Menem.

Roman said the economic policies of the Argentine and Romanian Governments "are very similar, and thus, I fully agreed with President Menem." He added: "State intervention in the economy under every government, everywhere on earth, has yielded bad, disastrous results and has been detrimental to public interests."

Roman said the Argentine and Romanian Governments are at "the same stage"—that is, that they are both determined to implement polices "to put their respective economies in a situation conducive to healthy management."

Roman reported that during the meeting he held this morning with Menem, they discussed topics of common interest related to bilateral trade possibilities. He said: "The idea is to carry out some sort of double investment, keeping in mind that the important thing for the two governments is promoting confidence because both countries need investments."

The Romanian prime minister stated that his visit to Argentina was prompted by the need "to make this first contact with Argentina because our two nations are linked by significant Latin ties."

Roman made it clear that future Romanian investment in Argentina will not come from "the government, but from private companies." He added: "The fact is that the Romanian Government has withdrawn from the economic sector, and there are now commercial enterprises, which are being privatized, in Romania."

Roman added: "Both the Argentine and Romanian Governments now have the mission and the obligation to promote investments—this is paramount."

Asked about the changes taking place in his country, Roman said: "In the past we were socialists, but we were never truly socialists. Radical changes have taken place because we have moved from a form of dictatorship, from an obviously undemocratic system to a democratic one."

Roman said: "This has been a major, fundamental step by East European countries." He added: "We must also achieve economic democracy because we must have this type of freedom, and the Romanian Government and the governments of the other countries of Eastern Europe are undertaking this reform."

Joint UK Talks To Be Held on Drug Cooperation

PY2711011490 Buenos Aires DYN in Spanish 1118 GMT 25 Nov 90

[Text] Buenos Aires, 25 Nov (DYN)—This week Argentina and Great Britain will begin the first round of negotiations on a bilateral agreement on legal cooperation on drug matters.

The Argentine Foreign Ministry reported that negotiations on this project are part of a wider government plan to establish a worldwide cooperation network targeted against money laundering and other drug-related crimes.

The three British experts who will participate in the negotiations on 27 and 28 November are John Hawkins and Melany Carter from the Foreign Office and Peter Vallance from the Home Office.

The Argentine delegation is headed by Alejandro Mosquera, director of the Foreign Ministry's American Organizations and Forums Department. The other members are officials from the Foreign Ministry, the Planning Secretariat for Drug Addiction Prevention and for Struggle Against Drug Trafficking, and the Justice Undersecretariat.

A few months ago when Foreign Minister Domingo Cavallo was in London he discussed this issue with British officials. On that occasion the Argentine officials delivered to their [words indistinct] illegal use of drugs and drug trafficking. Some time later the British delivered to the Argentine Foreign Ministry another project on legal cooperation against drug trafficking. The point of reference for the negotiations will be a project prepared by different organizations in the Americas.

Faction Opposes Government Reorganization Plan

PY2711001490 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1058 GMT 25 Nov 90

[Text] Buenos Aires, 25 Nov (NA)—The CGT-Azopardo [General Confederation of Labor-Azopardo Faction] has stated its opposition to the administrative reorganization plan proposed by President Carlos Menem because "neither private business nor the provincial administration will be able to absorb the large number of people without jobs."

The labor organization added that the proposal "is not realistic and does not contribute to our economic recovery or to the strengthening of social peace."

In a communique signed by its secretary general, Saul Ubaldini, the CGT-Azopardo demanded "the implementation of economic reactivation measures to allow private business to recover normal levels of production."

In this regard, the labor organization "urgently" requested the use of "all possible resources to reduce unemployment, underemployment, and poverty, which are the products of many years of incorrect guidelines and policies."

The communique adds: "We espouse the necessity to solve the problems created by the social emergency situation by returning credit to its important role in growth through loans to small- and medium-size companies, with special preference for those that act as the basis for growth in regional economies."

The CGT-Azopardo also requested "the eradication of immorality and corruption from all levels of Argentine life, and the restoration to legal and productive activity of the assets that were taken away through speculation or moved out of government channels by disloyal practices."

The communique also expressed its repudiation of those who "looted the state," contributing to its "disorganization and weakness, and preventing the normal fulfillment of its mission."

The communique adds: "We need to recover not only the economy, but basically the moral standing of the community by reestablishing links of social solidarity."

The communique concluded by saying: "Pursuing work means honesty and dignity—it has to do with the physical and moral health of the people." The communique added: "No one has the right to jeopardize work to satisfy selfish desires."

Companies Tie Hiring of State Employees to Laws

PY2311205890 Buenos Aires BUENOS AIRES HERALD in English 23 Nov 90 p 5

[Text] (DYN)—Companies grouped in the Argentine Industrial Union (UIA) will not absorb the 120,000 state employees due to be dismissed as part of the streamlining of the public sector ordered in the "omnibus" state reform decree, UIA spokesmen declared yesterday.

The officials revealed that the UIA will insist that any scheme to incorporate part of the former state employees be tied to the implementation of the employment and work-related accidents laws.

The added that the UIA will also demand that article 48 of the present economic emergency law—which establishes that dismissed staff receive a severance payment of a month's salary per year of service—be modified.

"With the present labor conditions and the terrible recession in the country," the spokesmen said, "nobody can take the risk of hiring more employees and later be exposed to lawsuits, especially for work-related accidents."

The position is at complete odds with that of the government. President Carlos Menem has publicly pledged that the dismissed public employees will be absorbed by the private sector.

The UIA is pushing for the approval during the extraordinary sessions of Congress of the employment law agreed by the Labour Ministry, businessmen and the San-Martin General Confederation of Labor (CGT) section. It opposes both the original draft proposed by the government and the alternative advocated by the Senate Labor Commission.

The work-related accidents law, meanwhile, remains in the hands of Presidential Chief of Staff Eduardo Bauza.

Possibility of 'Squid War' With UK Viewed

PY2411004090 Buenos Aires CLARIN in Spanish 18 Nov 90 p 3

[Text] Foreign Minister Domingo Cavallo is expecting a decisive round in the negotiations with Great Britain over fishing in the South Atlantic because he is convinced that this week he managed to "overcome an obstacle that seemed very difficult." The Foreign Ministry, however, is considering the possibility of adopting several unilateral measures to face a hypothetical British decision to extend the fishing zone around the Malvinas Islands from 150 to 200 miles just in case the possibilities for reaching an accord are frustrated. Such unilateral measures by both sides would unleash what experts are already calling "the squid war."

Cavallo said yesterday that if Congress quickly approves the fishing law during its ordinary sessions, the British "will clearly see" the instruments Argentina will have for an eventual confrontation over fishing. The foreign minister was referring to Article 13 of the law. What does this article say? It empowers the government to issue permits to third-country ships to fish in "areas of conflict" in the Argentine sea, sailing under their own flag. Such permits have thus far been granted only through bilateral government-to-government agreements.

Reliable diplomatic sources have told CLARIN that twice this week Cavallo talked on the telephone with Garel Jones, British deputy secretary of state for foreign and commonwealth affairs, because Secretary of State Douglas Hurd was not in London. From these conversations, Cavallo had the impression that "the British are now apparently convinced that it is necessary to reach a bilateral accord, doing away with unilateral measures."

Sources close to Cavallo believe that if the British extend the fishing zone, "they will harm themselves." It is hard to believe this comment, which was made by a Foreign Ministry source, because it is difficult to admit that the British Foreign Office would support measures that go against British interests.

These sources think that the permits, which will give Argentine enterprises the possibility of renting foreign ships, will also allow for the creation of a "ship barrier" in the strip that corresponds to the 50th mile of Argentina's exclusive economic zone. The objective of this barrier would be "to keep the British from seeing a single Argentine squid." Squid shoals leave the Argentine coast and migrate toward the zone over which Great Britain has exercised control since 1986.

The sources also believe that the fleets of countries like Japan, Taiwan, and the ROK, which now operate in the zone under British control on an annual $200,000-per-ship license, will be willing to negotiate with Argentina. They say that otherwise, the fleets could lose most of the 100,000 tons of their current annual catch.

Diplomatic sources have stressed that to neutralize possible criticism from environmentalists in the event that such a confrontation is unleashed, agreements will be reached with those Asian countries for the preservation of fish at the 201st mile of the zone, where the depredation of fishing resources is now more intense.

Along with enforcement of the fishing law, which was drawn up by Felipe Sola, under secretary of agriculture, livestock, and fishing, Peronist Senator Luis Rubeo, and Ambassador Guillermo Selta, more than 60 ships of Argentine enterprises that will form "joint ventures" [preceding two words in English] with foreign firms will reportedly be allowed to operate under the Argentine flag.

Driven by their enthusiasm over these figures—but failing to consider the internal and external political cost of a confrontation with a country with which diplomatic relations were restored barely 10 months ago—the sources claim that these measures will "allow Argentina to collect $300 million annually."

Cavallo also expects that after next week, when the results of the internal elections in British Prime Minister Margaret Thatcher's Conservative Party will be known, the British Government will have a clearer mind with which to make a decision. Hurd could be an alternative if Thatcher does not win 50 percent of the votes plus one and has to resign. Hurd could become a viable candidate if former Defense Minister Michael Heseltine, who is the opposition candidate, does not win 50 percent of the votes plus one either.

The Foreign Office is "searching for the appropriate words" in drafting a new agreement that Cavallo proposed to London and that could have been debated last week.

Argentine diplomacy, however, decided to drop the initiative to while away time until the end of next week, waiting for the results of the internal elections in the Conservative Party. The Argentine Government feared that Thatcher could have sought extension of the zone to 200 miles to win votes in her party's internal elections.

Governments Decline Statement on Fishing Talks

PY2411212290 Madrid EFE in English 2041 GMT 24 Nov 90

[Text] Madrid, Nov 24 (EFE)—Argentine and British officials declined to give a statement Saturday [24 November] after two days of talks aimed at reaching an accord on fishing limits and conservation in waters around the disputed Falkland Islands. The talks, held at the Argentine ambassador's residence in Madrid, were the third to be held on the issue since the countries reestablished diplomatic relations in February following the 1982 war over the South Atlantic archipelago.

Heading the agenda at the talks was the 150-mile fishing exclusion zone around the islands, imposed by Britain in 1986, which Buenos Aires wants removed. Argentina has claimed that it loses 300 million a year from its vessels being forbidden to fish in the zone. Britain was looking to reach an agreement to cover the conservation of certain maritime species like the Illex squid, which is threatened because of excessive fishing.

French Minister Arrives for Bilateral Talks

PY2611212690 Buenos Aires BUENOS AIRES HERALD in English 26 Nov 90 p 7

[From the "Argentina in Brief" column]

[Excerpt] French Junior Foreign Affairs Minister Edwige Avice arrived in Argentina yesterday for talks on improving bilateral ties. She will spend four days in Argentina, discussing economic matters and technical cooperation. Avice and Foreign Minister Domingo Cavallo will preside over the third meeting of the Franco-Argentine general commission. She will be received today at 7pm by President Carlos Menem. She will also meet Economy Minister Erman Gonzalez, Education Minister Antonio Salonia and former President Raul Alfonsin during her stay. [passage omitted]

Bolivia

Paz Zamora on Supreme Court Crisis, Summit

PY2411161090 La Paz Television Boliviana Network in Spanish 0030 GMT 24 Nov 90

[Text] The president of the nation spoke today about the petition for impeachment filed against him and the upcoming meeting of Andean presidents in La Paz.

[Begin Paz recording] When I heard about the effort to impeach the president of the Republic, I thought it was a misbegotten action indicating an incredible political disorientation. I simply told the media that, in view of that action, I would submit myself to the Constitution and to the laws of the Republic, as any sincere, democratic Bolivian must do—despite the fact that, as I said and as I believe even now, it was a petty action before the nation.

Last night's developments—I heard about them while I was appreciating the work of the Santa Cruz craftsmen at the (?Quisquincho) dairy farm here in the city of La Paz, and they were confirmed shortly after midnight—demonstrate that the National Congress has picked up, I would say, the country's unanimous decision on this matter, on this issue, a unanimous decision that could not be influenced by the exceptional misguidedness, disorientation, and pettiness before the nation that was expressed through the attempt [to impeach the president of the Republic].

This is what I have to say on that matter. I can tell you that, following the actions of the National Congress last night, my hopes and enthusiasm have been renewed; we Bolivians will gradually build a more solid democracy day by day, a democracy that will become better suited to what we Bolivians expect. [end recording]

The president of the nation also talked about the upcoming summit of Andean presidents, which will be held next week in the city of La Paz.

[Begin recording, in progress] [Paz] ...promote a process of Andean integration that ran the risk of becoming bogged down in the hands of a certain technocracy that had been exclusively conducting it for nearly 20 years, since its establishment.

The presence of the presidents of the fraternal Andean countries here in Bolivia brings me great hope. I believe it will be a special meeting because a new factor has been added since our last meeting in Machu Picchu: All the Andean Pact countries are also members of the Rio Group. This is a new factor which—I believe—will greatly influence the talks and enhance the possibilities of the Andean Pact.

On the subject of the presidential meeting, I want to express to the Bolivian people through the national media that, in view of the visit of the fraternal presidents, we must try as never before to show our national unity and spirit.

It would be a real shame for Bolivia if some misguided people tried to take advantage of the visit of our Latin American brothers to expose our internal problems, problems which we must solve by ourselves with all dignity.

[Reporter] Is there any such intention, President?

[Paz] No, I am making this statement because there are some misguided people, right? If the presidents see these things, they would get a bad impression of all Bolivians.

I believe that we must [words indistinct] these situations. We Bolivians must demonstrate our dignity, unity, and sound judgment for any guest that we bring into our country, be they politicians, artists, or sportsmen.

We Bolivians must demonstrate dignity, unity, and sound judgment. This is what [liberator Simon] Bolivar called national spirit. We Bolivians can have our problems, but we must also establish limits on our problems. In keeping within these limits we Bolivians [words indistinct] our problems. If we go beyond these limits, we are already infringing upon our national spirit; we would be acting against our country. This would harm all Bolivians.

This is simply a consideration, just in case a misguided person turns up.

You must recall when Mr. Shultz came to visit. What happened then? Someone threw a stick of dynamite at the top of a hill. So we Bolivians have had to carry the burden of the idea that someone wanted to kill Mr. Shultz here in Bolivia. I am sure that it never entered the head of any Bolivian to do absolutely anything against Shultz. Well then, who was it? Suddenly, a drunkard at the top of a hill. We do not know. Bolivia, however, must carry this burden. This is an example of what I have been trying to explain.

[Reporter] President, what is the status of democracy in our country, considering the events that have been taking place over the past few weeks?

[Paz] This is a solid democracy. I would say that developments have shown that it is one of the most solid democracies in the region. Institutions like the Armed Forces, for example, have been absolutely solid, vertical, in terms of their commitment to the law and democracy. They could even serve as an example to a Supreme Court justice, couldn't they?

Anyway, regarding the problems that we are experiencing, which are common to any democracy, we can see that we have the capacity to resolve them while still abiding by the law. [end recording]

Former Chief Justice Wants UN Observers

PY2611163090 La Paz Radio Fides in Spanish 1100 GMT 26 Nov 90

[Excerpt] Acting on behalf of the Supreme Court and claiming United Nations principles, Dr. Edgar Oblitas Fernandez [former Supreme Court chief justice] has asked United Nations Secretary General Javier Perez de Cuellar to send observers to the trial that eight Supreme Court justices will stand at the Senate.

In his note to Perez de Cuellar, Dr. Oblitas says that the history of democracy in Latin America and in Bolivia will appraise the real magnitude of the United Nations' valuable contribution. He adds that the Bolivian people will appreciate the granting of this request, which is inspired in the defense of democracy and in the supreme values of justice and the law.

Oblitas added that a political-legal controversy has (?jeopardized) Bolivian democracy and institutions because eight Supreme Court justices who approved a resolution, which conforms to the Constitution, will stand trial at the Senate on charges of violation of the law and the Constitution. [passage omitted]

Agricultural Agreement Signed With Peru

PY2311233890 La Paz Television Boliviana Network in Spanish 0038 GMT 22 Nov 90

[Text] Today the Governments of Bolivia and Peru signed a bilateral agreement to promote agricultural production and to invigorate exchange between the two Andean Pact members. The document was signed in the Bolivian Foreign Ministry this morning by Ministers Mauro Bertero of Bolivia and Enrique Rossl Link of Peru, in the presence of Bolivian and Peruvian government officials. In part of his speech Minister Bertero said:

[Begin Bertero recording] Our president's mandate inspired us to believe the Andean group should live in a new stage. Our two-day meeting was fruitful and successful, due largely to the two agreements that were signed last night. Last night and today, Peru and Bolivia translated their political will into concrete terms, as I first suggested on 19 November. These six mutual cooperation agreements, which rescue our traditions and mark our deep encounter with Latin America and with Peruvian agrarian land.... [recording ends abruptly]

In turn, Peruvian Agriculture Minister Enrique Rossl Link said the ties of cooperation between the two countries must be strengthened in light of the serious drought.

[Begin Rossl recording, in progress] ...in the farming field, opening new possibilities for a joint action that will not only benefit the development of our peoples, but will also serve to bring us closer together because the task we will undertake is a way of consolidating and increasing our cooperation in the farming field, opening new possibilities for joint action in other fields. The close Bolivian-Peruvian agricultural relationship is based on our common geography and a historic treaty of cooperation on the use of agricultural techniques and the exchange of experiences. [end recording]

Italy To Provide $200 Million in Assistance

PY2311230690 La Paz PRESENCIA in Spanish 14 Nov 90 p 1

[Text] Italy will grant Bolivia financial assistance of about $200 million; $100 million of this amount was recently approved, and the rest was assigned to a credit line for the 1991-1993 period. According to the final document signed on 13 November by representatives of the Bolivian and Italian Governments, donations make up about $20 million of the $100 million assigned for the 1991-1993 period.

Bolivian Foreign Minister Carlos Iturralde and Senator Susana Agnelli, Italian Foreign Ministry under secretary, signed the document in a special ceremony at the Foreign Ministry that was three hours later than originally scheduled. Iturralde expressed thanks for the Italian cooperation and announced the possibility of obtaining an additional $20 million if the Italian Government and Parliament approve it.

He said: "This is a very important day for our bilateral relations within the framework of the first Bolivian-Italian meeting, which was held at the Mallasa Golf Club."

Agnelli stressed the task carried out by the two delegations, which will undoubtedly cause great pleasure in the country. She said: "Italy has always expressed its solidarity, and it is committed to Bolivia's future. We are convinced that we are providing Bolivia with our best support."

Acting Commander of Antinarcotics Force Appointed

PY2511003490 Madrid EFE in Spanish 2355 GMT 24 Nov 90

[Excerpt] La Paz, 24 Nov (EFE)—Army Colonel Carlos Velasco Bejarano is the new acting commander of the Special Antinarcotics Force (Felcn), government sources reported today.

General Lucio Anez, retired, who commanded the Felcn for two and a half years, has left the post for health reasons and will be receiving medical treatment in Brasilia starting on 26 November.

The antinarcotics struggle will be conducted by a staff of Army, Air Force, Navy, and Bolivian Police officers led by Colonel Velasco of the Felcn. [passage omitted]

Brazil

Dauster Interviewed on Debt Negotiations

PY2311215090 Rio de Janeiro Rede Globo Television in Portuguese 0218 GMT 23 Nov 90

["Exclusive" interview with foreign debt negotiator Jorio Dauster in Brasilia by Rede Globo Television economic reporter Lillian Witte Fibe in Sao Paulo on 22 November—live or recorded]

[Text] [Witte Fibe] Good evening, Ambassador. A month ago, when Brazil presented its first proposal to the creditors, the government firmly asserted that it would not make any interest payments this year because that would hinder the objectives of the stabilization plan. In the last 30 days, what has changed in the plan, in the economic policy, to make the government change its decision to not make any interest payments and decide to pay $900 million for overdue interest?

[Dauster] Nothing has changed, only the chronology of the negotiations has changed. We must remember that, for many months now, we have been discussing with the Senate the possibility of making interest payments and trying to keep the doors [to negotiation] open. It is natural, therefore, that our first proposal established our ideal position. As the creditors have shown some flexibility, we can now continue the negotiations in a perfectly normal fashion.

[Witte Fibe] It has not been made clear what Brazil hopes to obtain from the creditor banks in this stage of the negotiations in exchange for the decision to make payments on the overdue interest. Brazil is now offering to pay $900 million. What is the government asking from the banks in exchange?

[Dauster] The first and main condition for payment of part of the overdue interest now is the level of our reserves. This payment will have to be made with our reserves because we have no time to create, in 45 days, fiscal conditions that would allow the government to make this payment. The second condition is that we reach a concrete agreement on negotiations on the debt principal [stock da divida]. These two fundamental conditions show that Brazil has not changed its policy regarding basic objectives.

The creditors have shown a flexibility that I deem important: They have admitted that Brazil cannot pay all of the overdue interest nor the interest that will come due in the January-March 1991 period. Therefore, they have made a proposal for capitalization of the difference, of the overdue interest. We had to see this proposal as added flexibility in their position.

[Witte Fibe] What will the next steps in the negotiations be? Next week you will return to the United States; will you meet with the president of the Republic or the economy minister before you leave?

[Dauster] I have already met with her. She receives phone reports from me more than once a day. Besides, I have already been there today to report on the negotiations directly to her. Minister Cardoso is the one who will have to call any additional meeting that may be necessary.

We are now beginning the actual negotiations, and Brazil and the creditors have laid the foundations of our respective positions. Now it is a matter of working hard.

[Witte Fibe] Do you believe that next week Brazil will offer to pay a little more on the overdue interest, or do you believe it is too early to ask you that?

[Dauster] No, we do not believe there will be any change in our position because, I repeat, to make any payment we must have a concrete agreement on the treatment to be given to the debt principal. We would also need a decision about the bonds to be used to pay the remaining overdue interest, which will not be paid in cash. Therefore, all of these details must be dealt with as a whole, so a decision can be made and both sides can make progress.

[Witte Fibe] Ambassador, in the September pre-agreement with the IMF, Brazil foresaw an inflation rate of about seven percent a month by the end of 1990. How will the difference in the inflation rate affect this pre-agreement?

[Dauster] At that time, we were going through such great macroeconomic changes that any estimate of what the inflation rate was going to be had no technical basis. We cannot forget that later, the Persian Gulf crisis began and, as a result, all of the estimates used as a basis for the pre-agreement changed substantially. This is why we believe it will not be difficult to review, as is already planned with the IMF, the nominal objectives. This can be done because, in real terms, Brazil is progressing toward the fiscal surplus foreseen at the time of the talks with the IMF.

[Witte Fibe] Thank you very much.

[Dauster] Thank you.

Goes to New York for Negotiations

PY2711113690 Brasilia Radio Nacional da Amazonia Network in Portuguese 0900 GMT 27 Nov 90

[Text] Foreign Debt Special Ambassador Jorio Dauster leaves for New York today for a second round of negotiations with the creditor banks. Dauster said no one can expect this kind of complex negotiation to be easy.

He commented on the two aspects of the Brazilian debt renegotiation that will again be discussed: The first aspect refers to the due interests that will total more than $8 billion by the end of 1990. Of this Brazil proposes to pay, at most, $1 billion. The second aspect mentioned by Dauster refers to the principal of the debt. Brazil is seeking a definitive agreement in this regard.

Losses Caused by Embargo Compliance Quantified

PY2611144490 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 24 Nov 90 Economics Section p 4

[Text] Brasilia—Compliance with the UN-imposed embargo on Iraq has cost the country losses of more than $1.0 billion. Itamaraty has reported that the losses stem from: a) the seizure by Iraqi customs authorities of goods worth $400 million from Brazilian enterprises working in Iraq for the alleged payment of debts; b) the execution of guarantees for $204.4 million pledged by the Bank of Brazil to the Rafidain Bank; and c) the failure to collect $500 million for credits whose amortization is overdue.

Navy Tests Digital Tactical Simulator

PY2511024690 Rio de Janeiro Rede Globo Television in Portuguese 2200 GMT 21 Nov 90

[Text] As of next month, the Brazilian Navy will start training with a digital tactical simulator developed in Brazil. The equipment, which is undergoing final testing, allows for the reproduction of the most sophisticated war games.

The project was developed by the Navy Research Institute following instructions from the main training center for surface ships located on Mocangue Island. Data on the entire Brazilian seacoast is stored in the computer memory, and actions can be restricted to small areas such as Guanabara Bay.

In a small room instructors simulate war games that may simultaneously involve up to 55 ships, aircraft, and submarines equipped with various types of sensors and armaments. These maneuvers are usually done with real ships, but this system allows for the use of more modern, faster, and better-equipped ships.

The advantage of this equipment is that the students may use as much ammunition as they wish because it is free. By merely pressing a button it is possible to launch Exocet missiles that currently cost $1 million each, approximately 140 million cruzeiros, a cost that prevents the Navy from launching missiles when the maneuvers are carried out at sea.

The students, commanders, officers, and sailors work in teams.

[Begin Sea and War Captain Augusto Sergio Ozorio recording] What the Navy basically seeks is to test the capacity of the commanders of its ships and aircraft to react. The equipment can also be used to test plans and guidelines before going to sea. [end recording]

Electric Power Proposed for Argentine Natural Gas

PY2411021290 Brasilia Domestic Service in Portuguese 2100 GMT 23 Nov 90

[Text] The energy integration between Brazil and Latin America will begin in Rio Grande do Sul. This was said by Amilcar Gasanica, president of the Southern Electric

Power Plants, Eletrosul, who announced the implementation of a project to exchange Brazilian electric power—through a frequency conversion unit that will be installed in Uruguaiana—for Argentine natural gas for the Eletrosul thermoelectric plant in Alegrete. The project should be in operation in six to eight months.

According to Amilcar Gasanica, the frequency of the Argentine electric system is 60 hertz, and that of the Brazilian electric system is 50 hertz. This explains the need for a frequency converter at the Uruguaiana substation. He has requested that negotiations between Eletrosul and the Water and Energy Company of Argentina be accelerated.

The exchange of electric energy for natural gas between the two countries will make it possible for the thermoelectric plant in Alegrete, 150 kilometers from Uruguaiana, which is connected only when energy increases [as heard] in the region, to operate throughout the year, generating 200 megawatts instead of just 60 megawatts.

Congressional Support for Government Viewed

PY2211221690 Rio de Janeiro O GLOBO in Portuguese 16 Nov 90 p 3

[Text] Eight months after Collor assumed power, the government has begun to realize that it cannot continue without political support. Collor was elected through a minor party (the PRN) [National Reconstruction Party], which he repudiated as soon as he came to power, and his allies say he has lost the opportunity to form his own party. The new Congress, whose members were elected without his help, will come to Brasilia determined to strengthen their parties and assume an independent position. These congressmen reject the idea of forming alliances between parties or congressional blocs.

"The PDC [Christian Democratic Party] is now untouchable. We elected eight new congressmen and the party must now consolidate. I do not think there will be a large pro-government party," states PDC leader Eduardo Siqueira Campos. He forecasts that the president will have a great deal of difficulty in having his projects approved.

"The PDS [Social Democratic Party] bloc has a different composition now. It is larger and legitimate, capable of influencing other parties. The PDS will not tolerate the president's lack of interest in talking with the legislative branch. It will be very difficult for him to organize a support group here. Party alliances are also not possible. No one will give up his party or leadership," forecasts PDS leader Amaral Netto.

Senator-elect Josaphat Marinho (PFL-BA) [Liberal Front Party-Bahia State] is also unwilling to discuss the formation of blocs or alliances. Marinho simply wants to roll up his sleeves and begin reorganizing the parties. He thinks that the parties in general lack organization and specific programs because they have been weakened and voters no longer understand them.

"I think Congress must first preserve its sovereignty and recover its prestige within society. It cannot allow interference in its sovereignty," says Marinho, who believes the government should not interfere in the election of leaders for the new congressional term.

Senator Espiridiao Amin (PDS-SC) [PDS-Santa Catarina State] [former governor of Santa Catarina State] has a similar opinion:

"I can help the government through Congress with my experience as an administrator. Congress is a power that must participate in directing the country's destiny. I am from the PDS; I was elected for my ability, for my previous administration, and I have not given this up. I will not be afraid to act as a prosecutor with the government as the defendant, and to fight it if the budget is not utilized correctly. [no closing quotation mark as received]

When Senator Jarbas Passarinho was chosen to become Collor's political coordinator, the crisis among the congressmen of the five parties (PRN, PDC, PFL, PTB [Brazilian Worker's Party] and the PDS) that support the president reached such a point that his two proposals—party alliances or blocs to support the government—were ruled out until at least the next congressional term.

"He who does not participate in the election process does not lose anything in any state, but he certainly does not win either," says Siqueira. Siqueira believes the president should somehow participate in the second round of elections to try to neutralize the influence of the opposition governors on their congressional blocs.

The leaders who currently support Collor have a greater belief in the probability of blocs opposing the president. They point out that former President Jose Sarney has been elected senator and that he helped several of his faithful ministers in their elections as governors or congressmen. Considering that Luis Antonio Fleury may win the Sao Paulo gubernatorial election, they forecast serious difficulties for Collor, given that Orestes Quercia [Sao Paulo governor] influences the largest congressional bloc.

Report Reviews Gubernatorial Runoff Elections

PY2311002890 Madrid EFE in Spanish 1713 GMT 22 Nov 90

[Text] Brasilia, 22 Nov (EFE)—On 25 November gubernatorial runoff elections will be held in 15 Brazilian states. The two candidates who received the most votes in each state in the 3 October elections will run against each other in the 25 November elections.

On 3 October, 84 million Brazilians cast their votes to choose officials and councils for the 26 states and one territory that comprise Brazil. The voters also elected deputies to all seats in the Chamber of Deputies and senators to one-third of the Senate seats. The current Brazilian system establishes that the election of mayors for towns with more than 200,000 inhabitants, of governors, and of the president of the Republic will be held in two rounds if no one candidate receives more than 50 percent of the total votes.

There should actually be gubernatorial runoff elections in 16 states, but Alagoas State (in the Northeastern Region) is an exception. This state—which was governed by Fernando Collor de Mello, the current Brazilian president, from 1986 to 1989—will hold a runoff election only in the five towns and various districts of Maceio—the state capital—where an investigation showed that there was electoral fraud. The date for the runoff election in Alagoas State has not yet been announced.

Excluding this small northeastern state, which has 1,304,271 voters, 49 million Brazilians will vote on 25 November.

Brazil's Northern Region, which includes a large portion of the Amazon forest, has the highest number of states where runoff elections will be held. There will be gubernatorial runoff elections in five of the region's six states.

In the Northeastern Region, which is the country's most underdeveloped region, runoff elections will be held in four of its nine states. In the Midwestern Region, where Brasilia is located, two of the five states will hold runoff elections.

In the Southeastern Region, where Rio de Janeiro is located, two of the four states will hold runoff elections. In the wealthy agricultural Southern Region, runoff elections will be held in two of the three states.

Although the states where runoff elections will be held are spread throughout the country, everyone's attention is focused on states such as Sao Paulo, Minas Gerais, and Rio Grande do Sul because of their economic importance and the large number of voters in Sao Paulo and Minas Gerais. Sao Paulo has the largest number of voters in the country, 18 million. Minas Gerais is second with 9.5 million voters.

The nearly 30 parties that have registered for these elections have formed several coalitions for the runoff elections; however, of these 30 parties only four have a substantial number of candidates. The Liberal Front Party (PFL), which supports the government, has five candidates. The Brazilian Democratic Mobilization Party (PMDB), which moderately opposes the government, also has five candidates. The National Reconstruction Party (PRN), which presented Fernando Collor de Mello as a presidential candidate, has four candidates.

In the sector of open opposition to the current government, the social democratic PDT [Democratic Workers' Party] is fielding candidates for the governorship of three states, while the PT [Workers' Party] has candidates running in two states.

Official Results in Runoff Elections Reported

PY2611223690 Brasilia Radio Nacional da Amazonia Network in Portuguese 0900 GMT 26 Nov 90

[Excerpts] IBOPE [Brazilian Public Opinion and Statistics Institute] polls have given an indication of the probable winners in gubernatorial elections in nine states: In Para State, Jader Barbalho and Said Xerfan were tied with 49 percent of the votes; in Maranhao State, Joao Castelo and Edison Lobao were tied with 42 percent; and in Sao Paulo State, where victory will be disputed vote by vote, Luis Fleury had 41 percent and Paulo Maluf had 40 percent. In the other states, the situation is as follows: In Paraiba, Ronaldo Cunha Lima had 48 percent and Wilson Braga had 35 percent; in Parana, Roberto Requiao had 41 percent and Jose Carlos Martinez had 36; in Minas Gerais, Helio Garcia had 39 percent and Helio Costa had 35; in Rio Grande do Sul, Alceu Collares had 46 percent and Nelson Marchesan 27; in Rio Grande do Norte, Agripino Maia had 45 percent and Lavoisier Maia had 39; in Tocantins, Moises Avelino had 49 percent and Moises Abraao had 36; in Piaui, Freitas Netto had 46 percent and Wall Ferraz had 36; and in Rondonia, Oswaldo Pianna had 44 percent and Waldir Raupp had 36.

In Rio Grande do Sul, the Regional Electoral Court (TRE) results confirm the results of the IBOPE poll; Alceu Collares is the winner. [passage omitted]

In Espirito Santo, absenteeism in certain electoral zones reached 50 percent. The electoral court will begin to release the results in that state today; the poll shows that Albuino Azeredo will be the future governor. [passage omitted].

Minas Gerais will learn the official results at about 1700 this afternoon. Vote counting started yesterday right after voting ended. [passage omitted]

Vote counting in Tocantins ends today. TRE President Joao Alves da Cost received no reports of any incidents in the elections, but noted that absenteeism was high. He believes it will reach nearly 25 percent. [passage omitted]

Computerized vote counting will last about three days and official results will be released around that time. State residents will then learn whether Moises Avelino of the Tocantins Salvation Movement or Moises Abraao of the Tocantins Union is the winner. [passage omitted]

Names of 13 New State Governors Released

PY2711012490 Rio de Janeiro Rede Globo Television in Portuguese 2200 GMT 26 Nov 90

[Text] The names of newly-elected governors in 13 out of the 15 states in which there were runoff elections have already been released. The results of the elections in Para and Maranhao States are still unknown.

The new governors are: Amapa, Anibal Barcelos; Acre, Edmundo Pintos; Rondonia, Osvaldo Pianna; Piaui, Freitas Neto; Paraiba, Ronaldo Lima; Rio Grande do Norte, Jose Agripino Maia; Tocantins, Moises Avelino; Parana, Roberto Requiao; Rio Grande do Sul, Alceu Collares; Espirito Santo, Albuino Azeredo; Minas Gerais, Helio Garcia; and Sao Paulo, Luiz Antonio Fleury Filho. Early this evening the vote count confirmed that Ottomar Pinto is the new governor of Roraima.

Minister on U.S. Advertisements for Amazon Land

PY2611173290 Brasilia Radio Nacional da Amazonia Network in Portuguese 0900 GMT 26 Nov 90

[Text] The government has warned: This is a scam. This warning refers to the advertisements published by a U.S. magazine in which Amazon Region land is offered to foreign purchasers.

Agriculture Minister Antonio Cabrera told reporter Lourivaldo Macedo that the vendors are seeking to become rich illegally.

[Begin Cabrera recording] I attribute this advertisement to dishonest people who want to make money easily, to people who resort to scams, who try to fool others and sell illusions. I know the ecological issue is captivating, enticing, and charming, and that based on these elements some con men in the United States are using the charms of ecology to make money.

I can tell you that President Collor has drafted, for the first time in Brazil, a very serious policy to protect the Amazon Region, which is a priority for his administration. The policy establishes that foreigners cannot purchase land in Brazil without the Agriculture Ministry's approval. This is why this advertisement for the sale of Amazon Region land, which was published by a U.S. magazine, is a scam. [end recording]

Minister Cabrera said he is reporting to Itamaraty all the data on the issue, so that the Brazilian Embassy in Washington can contact the company that placed the advertisement.

Foreign Reserves Drop '$500 Million' in October

PY2611140490 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 24 Nov 90 Economics Section p 1

[Excerpt] Antonio Claudio Sochaczewski, director of the Central Bank External Area, reported yesterday that the Brazilian foreign reserves dropped by some $500 million in October. He said that the October figures are only preliminary, but the country's foreign reserves position should be between $8.0 and $8.2 billion (down from $8.6 billion in September).

Sochaczewski explained that the foreign reserves dropped because the country spent $500 million in the payments required under reciprocal credit agreements with Latin American countries. Also, to guarantee a larger volume of foreign trade, the Central Bank lent foreign reserves to 11 Brazilian private bank branches abroad. Sochaczewski said that the amount lent to these branches abroad could not be revealed. [passage omitted]

Bank To Take Measures Against Capital Flight

PY2611134490 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 25 Nov 90 Economics Section p 9

[Report by Helena Daltro]

[Excerpt] An operation to hold down the flight of capital from the country is being set up by the Central Bank and the Federal Police. The flight of capital, estimated at a total of $30 billion during the 1980's, reached its peak in 1989 when between $8 and $10 billion was deposited in bank accounts abroad.

The Central Bank-Federal Police operation, the details of which are being kept secret, will be launched because the government has detected an abnormal trend of foreign currency evasion in the second semester of this year. Some government experts admit that this trend mainly originated following the change of course in the stabilization that seemed to have taken hold after the Collor Plan was implemented, a change signaled by the return of high inflation rates. This picture was worsened by the fear of additional tax hikes in the financial market in particular. [passage omitted]

Economic Secretary Cancels Trip to France, Japan

PY2111162490 Brasilia Radio Nacional da Amazonia Network in Portuguese 0900 GMT 21 Nov 90

[Text] Economic Policy Secretary Antonio Kandir has canceled his trip to France and Japan that was scheduled to begin today. Kandir intended to explain the Brazilian Government policy on foreign debt negotiations to the creditor banks.

Kandir's trip was canceled because his presence in the country at this time is essential to renegotiate a new salary policy with businessmen and workers and to further a national understanding on the subject.

Marcos Caramuru, the Economy Ministry social communications secretary, reported that Kandir is coordinating a study on the factual situation of salaries. The government will adopt concrete measures on salaries only after the study is finished.

* Conin Restricts Imports of 47 Items

91SM0069A Sao Paulo O ESTADO DE SAO PAULO (Economic Section) in Portuguese 25 Oct 90 pp 1, 4

[Report by Gecy Belmonte]

[Text] Brasilia—As of yesterday, the computer technology market reserve is limited to a list of 47 items that cannot be imported until October 1992. After that, any item in the field can be manufactured in Brazil or imported without prior authorization from the government. However, imports of the information science products that do not appear on the list will not be authorized until January 1991, according to the terms of a decision by the National Council for Informatics and Automation (Conin), which met yesterday.

The approximately 250 items that can be freely imported starting in January 1991 will be controlled only by import duty rates. The government will announce those rates by the end of December. The task force coordinator of the Department of Foreign Trade of the Ministry of the Economy, Honorio Kume, explained at the meeting that the initial proposal is for duties on computer end-products to vary between 40 percent and 65 percent until 1994. The suggested duties on components for use in manufacturing range from 30 percent to 50 percent during that same period, subject to annual review. As a general rule, he said that the sector will gradually have to adapt to the goal set for industrial policy, which calls for an average tariff of 20 percent.

Protection of the products covered by the market reserve will not automatically be guaranteed until 1992. Manufacturers are required to submit, within 60 days, a plan for improving the quality and reducing the prices of their products. That plan will be studied by the Secretariat of Science and Technology's Department of Information Science (Depin) and by the technical committee that drew up the suggested list for the market reserve, the list that Conin approved yesterday. Companies that do not meet the goal set will lose the protection.

The list submitted by Conin was approved with few changes. Fiber optics, which were supposed to be kept in the reserve, were taken out because the majority of Council members argued that they cannot be considered computer technology goods. The ban on imports of facsimile machines will continue, because of the changes seen in the market during the past 30 days.

Joel Rauber, national communications secretary and a leading advocate of lifting the ban on fax imports, said that two more companies have started manufacturing these machines (now there are eight of them) and that the price has dropped from $4,500 to $1,500 in the past month. He says the outlook is for production to rise and for prices to fall even further.

Only one product—computer keyboards—that was considered as being outside of the reserve, was added to it. This was done on the grounds that a trade agreement with the Latin American Integration Association (ALADI) permits duty-free importation of keyboards from Argentina, and this, according to Secretary of Science and Technology Jose Goldemberg, who presided at the Conin meeting, could hurt domestic companies.

Prices and Lack of Competition Could Hasten Relaxed Limits

At the end of yesterday's meeting of Conin, the feeling among representatives of the Brazilian Association of Computer and Computer Peripherals Manufacturers (Abicomp) was one of relief. "We were wounded, but not killed," Abicomp director Carlos Rocha told acting Secretary of Science and Technology Edson Machado [as published], indicating that the "battle" waged by Abicomp to prevent the market from being opened up any wider had not been futile.

Rocha has good reason to be satisfied. According to the Society of Information Science and Telecommunications Users (Sucesu), the 250 items that Brazilians will now be free to import account for approximately 20 percent of total sales in the $6 billion computer technology market, i.e., $1.2 billion. This shows that the sector's strongest products will be subject to the market reserve until October 1992.

But the industry may not be celebrating for very long—not if the somewhat gloomy prediction by experts in the infrastructure and economy ministries, and at Sucesu itself, comes true. The absence of competitiveness in the domestic industry, the difficulties in raising their scale of production, and skyrocketing prices may result in the information science market being opened wider, sooner than expected.

Sucesu made a survey of the prices of some products, and its findings show how hard it will be for domestic industry to produce these items on a larger scale and thus increase competition. A VGA 14-inch color monitor, for example, costs $650 in the United States and $2,800 in Brazil, including taxes.

Brazil makes very few video monitors, not even 1,000 a month, and so it is unlikely to boost output enough within a year to be able to offer them at a more competitive price. Hard magnetic disk drives are another example. They cost $240 in the United States and $1,112 in Brazil, including taxes. There is a more glaring case, one in which a substantial increase in production is also rather unlikely: the AI plotter (a more sophisticated printer) which costs $3,500 on the American market but $20,000 in Brazil, counting taxes.

According to some members of Conin, these figures show why government economists kept trying to reach a consensus and yielded to many of the businessmen's demands. "The revolution in the computer market will really take place starting in 1992, when any multinational will be able to make any products it wants to," says an advisor to Minister of the Economy Zelia Cardoso de Mello, who also warned that: "Those who are not competitive or who do not try to develop an association with foreign companies in order to grow, will go broke."

The List of Protected Products

Brazilian Foreign Trade Classification	Product
8471	Video display terminal with horizontal frequency equal to or less than 35.5 kHz
8471	Video monitor
8471	Floppy disk drive
8471	Magnetic tape unit, except half-inch cartridge type, with capacity over 200 Mbytes and recording and reading speed equal to or greater than 3 Mbytes/second.
8471	Impact-type matrix printer
8471	Modem with speed of 2400 to 19200 bits/second
8471	Digital plotter, using pens to print.
8471	Microcomputer, including its local network interface modules
8471	Hard magnetic disk drive
8471	Point-of-sale terminal
8471	Financial terminal
8471	Supermicrocomputer, including its local network interface modules
8471	Terminal concentrator/multiplexer
8471	Automatic payment machine
8471	Workstation with central processing unit and performance less than 20 MIPS and 2 Mflops in double precision
8471	Statistical multiplexer
8471	Data compressor
8471	Front-end processor
8471	Remote terminal unit
8471	On-board computer for automotive vehicles
8471	Logger
8471	Non-impact printer with speed of up to 50 pages/minute
8471	Line printer
8471	Medium-size central processing unit
8471	Large-size central processing unit
8471	Digital equipment for satellite data communications
8471	Currency counting/sorting machine
8517	Digital facsimile machine
8517	Digital voice mail equipment
8517	PABX systems, CPA type
8535	Digital relay for electricity
8537	Computer numerical control- CNC with simultaneous interpolation capacity up to 10 axes.
8541	Transistor
8542	Hybrid circuit
8542	Integrated circuit
8708	Digital electronic ignition for automotive vehicles
8708	Digital fuel injection for automotive vehicles
9013	LCD (liquid crystal display)
9028	Electricity recorder/meter
9030	Automatic testing equipment for printed circuit boards
9032	Programmable logic controller
9032	Digital process controller
9032	Digital transmitter

The List of Protected Products (Continued)

Brazilian Foreign Trade Classification	Product
9032	Digital distributed control system
9032	Digital controller of electric current demand

* Technology Transfer Policy Changes Discussed

91SM0050C Sao Paulo O ESTADO DE SAO PAULO (Economics Section) in Portuguese 22 Sep 90 p 5

[Article by Rolf Kuntz: "INPI To Control Purchases of Technology"]

[Text] The government will continue to control the transfer of technology, but with less bureaucracy and more rapid decisions. "The idea is to make it possible for payment to be made only when the transfer is actually made," was the comment made yesterday in Sao Paulo by Luiz Paulo Vellozo Lucas, director of the Department of Industry and Commerce (DIC) of the Ministry of the Economy.

Vellozo Lucas avoids speaking of controls and tries to emphasize the "positive" side of the new policy of the National Institute of Industrial Property (INPI). He acknowledges, however that: 1) registration of contracts for such transfers may be denied in some cases; 2) the power to register contracts can result in savings in foreign currency, although this is not the principal objective; and 3) it is the function of the state to prevent unfair transactions (the English phrase "unfair trading" is the one used) between buyers and suppliers of technology. "Moreover," he declared, "it is the business of the state to help break down barriers." The DIC director said that Japan has three government agencies whose functions correspond to those of the INPI. On the basis of the statements made by Vellozo Lucas, it is not possible to make a precise list of the functions and powers planned for the INPI.

The DIC director said that the major immediate change is the reduction of the bureaucracy. Under the new regulations it would be possible to process in 45 days all of the 846 technology transfer contracts that were registered in 1989. The most far-reaching change—revision of the Industrial Property Code—is expected to be completed in March.

Internally, the action of the federal government will be oriented toward the development of technology, through support for certain selected areas (for example: applied biotechnology, deep-water petroleum exploration, electronics, precision machinery, advanced chemistry, and the production of new materials).

According to Vellozo Lucas, all additional funding for scientific research and technology will be oriented toward market-related studies. This is the nucleus of the new federal policy for science and technology, he added. "In Brazil," he said, "95 percent of this research winds up as "papers" (reports or articles) and five percent winds up in the market." Abroad, he maintains, this average is 70 percent.

Of the additional funding incorporated into the General Budget of the Union, two-thirds is scheduled to go directly for technological research and one-third for other spending necessary for the operation of the system. (The document released last week by the Ministry of the Economy mentions two-thirds for industrial technology, with no reference to applied knowledge in other types of activity such as agriculture in the scrub-forest areas of the interior, the control of endemic disases, or the management of herds of swine.)

Increases are also scheduled to appear not only in the General Budget of the Union—as appropriations earmarked for the Secretariat of Science and Technology—but also in the programs for investments by the development banks (including the regional development banks) that are linked to the federal government. The top priority of the National Bank for Economic and Social Development (BNDES) is no longer the expansion of production capacity and is now the restructuration of the companies.

The principal role of the universities and research institutions, Vellozo Lucas says, will be to meet the research requirements of the companies, which will receive financing and fiscal incentives to invest in research as much of their own money as money derived from loans. The decisions regarding the research projects that have been commissioned will be the responsibility of the companies. "The role of the government," Vellozo Lucas says, "will be to create a climate that will enable the decisions to be taken."

Chile

Silva: Problems With U.S. Will Be Resolved

PY2711114490 Santiago Domestic Service in Spanish 2200 GMT 26 Nov 90

[Text] Foreign Minister Enrique Silva Cimma has stated that all pending problems between Chile and the United States will be resolved before President George Bush's visit to our country on 6 December.

The foreign minister has said that he is convinced that all pending problems between Chile and the United States will be resolved before President Bush's visit to our country on 6 December. He added that these problems include the lifting of the Kennedy Amendment and the reinstatement of Chile in the Generalized System of Preferences, from which it has been excluded.

[Begin Silva Cimma recording] Most of the problems that have been the object of criticisms will be resolved gradually before the visit. When President Bush visits our country, he will probably announce that the problems that have been worrying all Chileans have been resolved. [end recording]

The foreign minister added that the Chilean Government will discuss with President Bush matters related to trade, politics, and especially the normalization of relations with the United States.

Regarding the nature of the 23-hour visit that the U.S. President will make to Chile, which is part of a tour that also includes Brazil, Argentina, Uruguay, and Venezuela, Silva Cimma said that this will not be a mere protocol visit. With Bush we will establish direct contacts and will submit proposals that will surely interest the Chilean people, he said.

The foreign minister made these remarks while giving further details of his recent visit to Japan, the Philippines, and Hong Kong. In general terms, he stressed the great Chilean economic objectives in the Pacific Ocean basin. He added that he has proposed meetings between officials of the Foreign Ministry Economic Department and embassy representatives of those countries of the Pacific Basin, seeking to implement an aggressive economic policy and to trade in those markets.

Notes Optimism on U.S. Measures

PY2711003090 Santiago Television Nacional de Chile Network in Spanish 1700 GMT 26 Nov 90

[Text] Foreign Minister Enrique Silva Cimma today expressed optimism about the possibility that the restrictive measures imposed on our country by the United States could be lifted before the visit by President George Bush.

Silva said he has the impression that the problems will be solved quietly before 6 December. He believes our country will soon be included in the GSP [Generalized System of Preferences] and that the Kennedy Amendment will be lifted.

Regarding his recent visit to Japan, the Philippines, and Hong Kong, Silva Cimma said that cultural, economic, social, and political links were reestablished with those countries. On trade, Silva emphasized that an important agreement will soon be signed with Japan to get soft credits. He also disclosed the Japanese purchase of land in the Seventh Region for forest exploitation and recovery.

Deputies Oppose Bush Visit to Congress

PY2611233690 Madrid EFE in Spanish 1554 GMT 26 Nov 90

[Text] Santiago, 26 Nov (EFE)—Deputies from the rightist Independent Democratic Union (UDI) announced today that they will submit a draft agreement to prevent Congress from holding a solemn session to welcome U.S. President Bush, who will arrive in Chile on 6 December.

UDI Deputies Andres Chadwick and Pablo Longueria explained that the proposal they will submit to the Chilean Congress on 27 November "is a way of protesting U.S. economic sanctions against Chile."

Bush, who will pay a 23-hour visit to Chile, is expected to be welcomed by the Chilean Congress in a solemn session where he will deliver a speech.

Several rightist political sectors and business groups have insisted that before President Bush arrives, the U.S. Government should lift the "Kennedy Amendment," which prohibits any U.S. firm or citizen from selling arms to Chile.

In 1976, the U.S. Senate imposed this sanction against the military government of General Augusto Pinochet for that regime's systematic violation of human rights during the Pinochet administration, which lasted from 1973 to 11 March 1990.

The lifting of that measure is necessary "to safeguard the dignity of our people and defend the interests of our country" said the UDI deputies while explaining the reason for rejecting Bush's visit. They also emphasized that despite President Patricio Aylwin's U.S. visit last September, "no solution has been found to the current problems with that country."

In addition to keeping the "Kennedy Amendment," Washington deprived Chile of GSP [Generalized System of Preferences] benefits, which grant trade privileges to developing countries. In the last few months, the U.S. Government also implemented a so-called "marketing order" against Chile; this restricts the imports of various products such as textiles, steel, flowers, cheese, and fruits.

"It seems to us that President Bush's visit would be useless unless the measures are lifted" said the UDI deputies, whose party that supported the military regime.

Pablo Rodriguez, a former leader of ultra-right groups, called for the creation of "a national movement for dignity" to oppose Bush's visit.

Their position was criticized by congressmen with other political leanings and by Genaro Arriagada, vice president of the Christian Democratic Party, who said their position shows that "they know nothing about international relations."

Political sources have indicated that the government believes that there is no longer any basis for the sanctions imposed by Washington, and it would be happy if Bush announces a lifting of the measures in his brief stay.

EEC Tariff Decision Termed 'Arbitrary'

PY2711005690 Santiago Television Nacional de Chile Network in Spanish 1700 GMT 26 Nov 90

[Text] Economy Minister Carlos Ominami has termed as arbitrary the EEC decision to exclude Chile from list of countries, including other Latin American countries, that benefit from the elimination of tariffs.

[Begin recording] [Ominami] I believe that the EEC decision is inappropriate because all countries are now concerned about what will happen at the Uruguay Round of talks within the GATT. I believe that the EEC decision is wrong because it openly discriminates against a country like Chile, which has made substantial efforts to promote its integration into the international community. We believe that it is good that the EEC has adopted a decision that fosters a liberalization of the economy; however, this decision cannot be made arbitrarily, favoring only a small number of countries.

[Unidentified reporter] You have said that Chile will join the GSP [Generalized System of Preferences] in the near future. When will this happen?

[Ominami] I said that we have done everything in our power to solve this situation, and I believe it will be resolved in the next few days.

[Reporter] Before the visit by President...?

[Ominami, interrupting] I believe and expect that it will be so because I believe there is no reason for the U.S. Department of Commerce to refuse to give the certification when President Bush has requested a favorable decision in this regard. [end recording]

Communist Dissidents Plan New Political Current

PY2411023290 Santiago EL MERCURIO in Spanish 10 Nov 90 p C 7

[Text] In a recent meeting, representatives of the Communist Party's (PC) dissident faction decided to create a new political current called the "Communist Renewal Assembly," Arco.

This decision was made during a meeting organized by representatives of the PC dissidents on the night of 8 November in Santiago. The meeting was attended by labor union leaders, student leaders, professionals, slum leaders, and representatives of the cultural world.

During the meeting, the results of a poll of all Communist dissidents countrywide were made known, and the Arco political movement was constituted. It has been reported that Arco intends "to contribute to the consolidation of democracy in the country and to reorient the Chilean left."

It has been said that in this phase, Arco will link itself with other leftist sectors such as the political branch of MIR [Leftist Revolutionary Movement], the Christian Left, the Humanist and Green Party, and the Socialist Party.

One of the first challenges to be faced by the new organization—which, according to reports, will not be a new party or a parallel PC—will be to organize a seminar on the national reality. The seminar will be held at the University of Santiago on 16, 17, and 18 November. Luis Guastavino, Fanny Pollarolo, Jorge Arrate, Camilo Escalona, Andres Palma, Msgr. Jorge Hourton, and Maria Maluenda, among others, will attend the seminar.

Leaders of the Communist dissidents have emphasized that the creation of Arco does not mean they will give up their interest in radically modifying the PC, to which many of them still belong.

Socialist Party Secretary General on Future

PY2411175090 Santiago HOY in Spanish 12-18 Nov 90 pp 27, 28, 29

["Text" of interview with Socialist Party Secretary General Manuel Almeyda by HOY reporter "L.D."; place and date not given]

[Excerpts] [Passage omitted] [L.D.] How do you envision relations with the Christian Democratic Party [PDC] in the future?

[Almeyda] To continue on this road to democracy, I believe that a broad, solid, and cohesive political force is necessary and that relations between these two parties should be frank, honest, and open—although they need not always be in agreement. We can dissent; this is legitimate because this is democracy. The idea that we must all follow the same bellwether shows a misunderstanding of what democracy is all about.

[L.D.] Do you plan to maintain your distance?

[Almeyda] We believe that it is legitimate for our party to have its own profile and to promote initiatives that are in line with the program of the Coalition of Parties for Democracy [CPPD] and pursue the same objectives, but the initiatives can be more properly ours.

[L.D.] Do you see relations with the PDC as others in the Socialist Party [PS] see it, as a permanent situation that can be translated into a long-term, change-promoting bloc?

[Almeyda] We have to form a political bloc to make changes. I do not know if the PDC would be inclined to form a bloc to promote changes in the direction we want. We want to bring about fundamental changes in society. We are socialists. We have not ceased to be revolutionary; we still want to transform a capitalist system into a socialist one.

[L.D.] Do you include the Communist Party in that bloc?

[Almeyda] It seems necessary to establish a popular political movement promoting changes. I see this as a movement incorporating groups from the traditional left to the center sectors, providing guidance to workers, intellectuals, professionals, and small businessmen that can best be interpreted by the PS. [passage omitted]

[L.D.] How will the central committee, in its current composition, conduct relations with the government?

[Almeyda] We intend to make the party intransigent on the issue of complying with the CPPD program and to establish the PS in the vanguard of the central committee.

[L.D.] In which ways will you be intransigent and in this vanguard?

[Almeyda] Our primary role must be in the defense of human rights, because truth and justice have not yet been established. This calls for more than just revealing the persons who acted against Chileans; it calls for determining who was responsible for imposing a policy of terror in the country and eradicating leftist thinking. The problem of political prisoners has still not been solved. We agree with the government's attitude, and there has been a lot of progress in this area. But we believe we have to be intransigent, just as the PS has been in opposing the framework agreement. This is the road to follow to fight impunity.

[L.D.] What is your opinion of the ministers' performance, particularly Economy Minister Carlos Ominami?

[Almeyda] From the standpoint of government action, we are generally pleased with the performance of our ministers. We know that we have not been able to solve many of the problems that are important to the neglected classes, but we inherited a government in disastrous condition. We are in favor of supporting the government and backing it, because it is our government. Furthermore, we are not just there temporarily.

[L.D.] Are you going to be more critical?

[Almeyda] We believe that the parties must take an independent stance toward the government. We do not believe it is good for parties to be totally identified with the government. This is not ideal. That is why we thought that, to ensure party independence, it would not be advisable to form the party directorate with people associated with the government administration. The directorate can therefore maintain its independence. This does not mean that we intend to use the party directorate to boycott the government or to create problems; rather, it will be used to direct the government, with constructive criticism if necessary.

MIR Leader Returns, Urges Peaceful Struggle

PY2311140390 Santiago EL MERCURIO in Spanish 14 Nov 90 p C 5

[Excerpts] Nelson Gutierrez, leader of the Movement of the Revolutionary Left [MIR], returned to the country yesterday. Gutierrez, who broke away from Pascal Allende in 1986, today heads the MIR political branch. Upon his arrival, Gutierrez urged all extremist groups to give up the armed struggle and join the democratic system. [passage omitted]

In brief remarks to the media, Gutierrez said he was happy to be able to return to his country legally and announced that he is coming back "to resume our struggle, with the people, to lead this process to a real transition to democracy." [passage omitted]

Leftist Parties Announce Formation of Committee

PY2311160090 Santiago EL MERCURIO in Spanish 14 Nov 90 p C 8

[Text] A "Committee for the Unity of the Left" [Comite por la Unidad de la Izquierda] has been created with the participation of Communists, the political branch of the MIR [Movement of the Revolutionary Left], the Christian Leftist Party, the dismantled PRSD [Democratic Socialist Radical Party], and some extreme leftist socialist groups. The goal of this committee is to reactivate a political group representing leftist sectors.

The initiative, which is headed by Pedro Vuskovic, economy minister under the regime of Salvador Allende, is the result of a proposal made by more than 60 leftist social and political leaders on 3 November entitled "An Appeal to the Chilean People."

Christian Leftist Members Oppose Alliance

PY2511012090 Santiago Domestic Service in Spanish 2200 GMT 22 Nov 90

[Excerpts] Luis Maira, president of the Christian Left [IC], has said that the groups within the IC that have voiced their opposition to joining the Socialist Party [PS] are a minority and do not represent the IC position. Luis Maira criticized yesterday's occupation of IC headquarters by a group of 50 militants, stating that it was just a desperate maneuver by a group who knows it is a minority. [passage omitted]

Maira added that the decision to join the PS was adopted after exhaustive talks at the leadership and grass-roots level through an open, democratic process that lasted more than one year.

Maira said the decision to join the PS is not a capricious or personal decision; this alternative is the most valid within the current political situation, taking into account that socialism is the strongest political force within the leftist sector and that the IC urgently needs to be reactivated.

'Political Reasons' Holding Up Helicopter Deal

PY2411234890 Santiago EL MERCURIO in Spanish 14 Nov 90 p C 4

[Report by Hernan Cisternas Arellano]

[Excerpts] Valparaiso—Businessman Carlos Cardoen said on 13 November that the Chilean economic situation is "worrisome," and that his enterprises are being reorganized to handle the drop in their activities in the Persian Gulf. He added that for political reasons "that do not concern me and are not up to me to resolve," the U.S. Government retains the certificate for the modified Bell Jet Ranger helicopter that is to be manufactured jointly with Chile.

Cardoen said the U.S. Federal Aviation Administration, which is considered a major international organization for aircraft tests, has given technical approval for this helicopter. He said: "We have all of the technical certificates, but for political reasons, the United States is retaining the official certificate. We believe that for the first time, as soon as some general problems linked with the Kennedy Amendment are solved, an aircraft that is to be jointly manufactured with Chile will have its certificate." [passage omitted]

Concerning the reorganization of his enterprises, Cardoen said: "We have been forced to greatly reduce our activities in the Persian Gulf since we are unable to continue working for Iraq. We have decided to reorganize the enterprises to increase production and engage in other activities with the same technical equipment or at least part of it." [passage omitted]

Navy Purchases Super Puma, Dauphin Helicopters

PY2511003090 Santiago EL MERCURIO in Spanish 14 Nov 90 p C 6

[Report by Hernan Cisternas Arellano]

[Text] Valparaiso—The first of three AS-332F Super Puma helicopters manufactured by the French aeronautics company Aerospatiale will be officially incorporated into the Chilean Navy in the first half of December. The modern helicopter, which will be assigned to one of the two Country- [preceding word in English] class destroyers that have been recently modified, will be used in security tasks in the exclusive economic zone. The helicopter will be equipped with Thomson-CSF Agrion radars, torpedoes, and Exocet missiles for antisubmarine and surface war. Six SA-364F Dauphin or Panther helicopters, depending on its new military nomenclature, will replace the old Alouette 3 helicopters that have been flown for over 10 years aboard the Leander, Lynch, Condell, and former HMS Achilles guided missile frigates. These helicopters can be equipped with Exocet MM-40 missiles for surface war. The inclusion of this materiel as well as the distance covered by the missiles attached to the helicopters will allow Chilean Navy warships to substantially increase their operating range. A group of pilots and mechanics have recently returned from France, where they were trained by Aerospatiale specialists to operate the new helicopters, which will be among the most modern in Latin America.

Joint Military Exercises Held in North

PY2511000890 Santiago EL MERCURIO in Spanish 16 Nov 90 p C 5

[Report by Gabriel Gonzalez Segovia]

[Excerpt] Iquique—At 1000 yesterday, two spectacular military exercises near Victoria, in Pampa del Tamarugal, and at "El Aguila" beach were the final ones carried out among the three military branches.

In a desolate, inhospitable zone near the former saltpeter works of Victoria, 120 km from Iquique, Army commandos "took over" an enemy radar center with the support of Air Force C-101 Halcon airplanes that fired rockets [preceding word in English] at the operations area, giving the exercise an atmosphere of authenticity.

This exercise was observed by Army Commander General Augusto Pinochet Ugarte, General Rodrigo Sanchez Casilla, 1st Army Corps Commander Major General Patricio Serre, 4th Army Division Commander Brigadier General Jorge Lagos Silva, and Santiago Military Garrison Commander General Carlos Parera Silva. Gen. Pinochet said Gen. Parera must give the high command a special report on the airborne operations, parachute jumps, and commando operations because these are some of his specialties.

"Black Berets," along with airplanes and support personnel, then went to "El Aguila" beach where, amid bombs and steady machine-gun fire, they captured the area and boarded "Zodiac" boats for two missile launch ships belonging to the 4th Naval Zone in Iquique that were anchored nearby.

Using SIG guns and carrying heavy backpacks, the commandos crossed the coastal road that links Iquique with Antofagasta, and after surmounting some obstacles, they attained their goal of quickly reaching the two ships assigned to the combined Armed Forces exercises in the northern theater of operations.

This exercise was coordinated by the National Defense Staff and was labeled as a normal Armed Forces activity.

The most remarkable operations were the night parachute jumps, the infiltration operations in "enemy territory," and the so-called amphibious rendevous that allowed the commandos to immediately depart the area by sea.

Four companies of commandos, two missile launch ships, A-37B Cessna and C-101 Halcon airplanes, as well as other support means, participated in yesterday's operation. [passage omitted]

Cooperation Protocol Signed With Brazil

PY2511222490 Santiago LA SEGUNDA in Spanish 15 Nov 90 p 19

[Text] The Chilean Agency for International Cooperation and the Brazilian Cooperation Agency yesterday signed a protocol of understanding which represents the first step toward effective contact between the two countries after the signing of the Binational Cooperation Agreement in Brasilia in July 1990 by Presidents Patricio Aylwin and Fernando Collor de Mello.

The protocol was signed by Rodrigo Egana, executive director of the Chilean Cooperation Agency, and Antonio Cruz de Melo, deputy director of the Brazilian Agency.

Senior Officers Greet Pinochet on 75th Birthday

PY2411012890 Santiago Domestic Service in Spanish 2200 GMT 23 Nov 90

[Excerpts] Several personalities have greeted General Augusto Pinochet on the occasion of his forthcoming birthday, which will be celebrated on Sunday, 25 November.

General Ramon Vega Hidalgo [Air Force chief of staff] visited the Army commander in his office to greet him on behalf of the Chilean Air Force. Later, Carabineros Director General Rodolfo Stange, who was accompanied by General Alfredo Nunez Allendes, visited the Army commander. They were followed by Admiral Jose Toribio Merino Castro, retired, who gave Pinochet two beautiful 1919 collector's pistols. [passage omitted]

Brigadier General Guido Riquelme Andaur, commander of the 2d Army Division and commanding general of the Santiago garrison, also greeted the Army commander who will celebrate his 75th birthday on Sunday. Gen. Riquelme expressed his unrestricted support and loyalty to his commander in chief. [passage omitted]

Colombia

ELN Group Kidnaps Three U.S. Engineers

PA2611162590 Madrid EFE in Spanish 1520 GMT 26 Nov 90

[Text] Cucuta, Colombia, 26 Nov (EFE)—The police reported that guerrillas of the Army of National Liberation (ELN) today kidnapped one Colombian and three U.S. engineers who work for the state-owned Colombian Petroleum Enterprise (Ecopetrol) in Norte de Santander Department in northeastern Colombia.

Police sources reported that several ELN guerrillas kidnapped U.S. citizens Bob Hogan, Jan Bagey, and Gary Sands, along with Colombian citizen Ignacio Alonso, in a rural area of Tibu municipality, 400 km northeast of Bogota.

The engineers of an Ecopetrol contract company were traveling in an all-terrain vehicle near Carbonera River in the outskirts of Tibu when they were intercepted and forced into another vehicle.

Troops of the Colombian Army's 2d Division are pursuing the guerrillas of the ELN's Claudia Jerez Front, which operates in the area, near the Venezuelan border.

The same rebel front has been holding Margarita Silva de Uribe, former mayor of Cucuta, (capital of Norte de Santander Department), since September. The rebels charge that she embezzled funds while she was mayor in 1989.

Authorities Pursue Kidnappers

PA2711011890 Bogota Inravision Television Cadena 2 in Spanish 0011 GMT 27 Nov 90

[Report by Mario Ramirez]

[Text] On the outskirts of Cucuta and near Tibu Municipality the authorities are trying to follow the trail of members of the Army of National Liberation [ELN] who, since yesterday [as heard], have been holding four DISTRAL [expansion unknown] employees—a firm under contract to Ecopetrol [Colombian Petroleum Enterprise]. U.S. citizens Jan Bagey, Bob Hogan, and Gary Sands, and Colombian citizens Ignacio Alonso and Henry Gomez, were stopped by four men and a woman while traveling from Tibu to (Carbonara). Afterward, Henry Gomez was released so that he could report the kidnapping.

[Begin Police Commander Luis Gilliver recording] All we know is that they are being held by a subversive group. We are following possible trails they may have used. As Henry Gomez said, they went into the brush. [end recording]

The DISTRAL technicians arrived in the area on 16 November on an Ecopetrol contract to adjust steam generators to increase Tibu oil production.

Minister Undecided on UN Security Council Vote

PA2711034290 Paris AFP in Spanish 0205 GMT 27 Nov 90

[Text] Bogota, 26 Nov (AFP)—Colombia announced on 26 November that it supports the presence of a dissuasive military force in the Persian Gulf, but said that not until 29 November at the United Nations will it decide on its vote on the U.S.-proposed military action against Iraq.

Colombian Foreign Minister Luis Fernando Jaramillo said this in an interview published today in the Bogota newspaper EL TIEMPO. Nevertheless, Jaramillo insists that the crisis that began on 2 August, when Iraq invaded Kuwait, should be resolved peacefully.

Jaramillo also ruled out sending troops to the Persian Gulf and reiterated that "Colombia categorically rejects Iraq's aggression against Kuwait followed by the annexation."

"Colombia supports the presence of a military force in the Persian Gulf to attain a peaceful solution to the crisis," Jaramillo declared, while announcing that he will travel to Lima on 27 November accompanied by his Venezuelan colleague Reynaldo Figueredo, to meet with Peruvian President Alberto Fujimori.

Jaramillo will travel to New York directly from Lima on 28 November.

Jaramillo and Figueredo's meeting with Fujimori is intended to establish Peru's aid requirements.

"Latin American countries have promised for several months to help Peru out of its social and economic crisis, but this work has not been done," Jaramillo explained.

"Colombia will decide its vote on the U.S. proposal to use force against Iraq after the Washington government presents it before the UN Security Council," Foreign Minister Jaramillo said.

"We wish to learn the exact terms of the U.S. proposal, because to do otherwise would be to sign a blank check," added the Colombian diplomat, who will personally take part in Thursday's Security Council vote.

Jaramillo also intends to meet in New York with ambassadors and foreign ministers from Latin American and Nonaligned Movement countries—Colombia is a member of the Nonaligned Movement—to determine their criteria regarding the U.S. proposal.

The newspaper also reported that President Cesar Gaviria was trying to contact his Latin American colleagues over the telephone to ascertain their position regarding the Persian Gulf crisis and the U.S. initiative before the UN Security Council.

EPL Reasserts Position, Mediates in Kidnappings

PA2411175590 Bogota Inravision Television Cadena 1 in Spanish 0000 GMT 21 Nov 90

[Text] The Popular Liberation Army [EPL] has stated that it is striving to prove its goodwill at a time when there are doubts about the guerrilla group's willingness to attain peace. A curious incident has occurred at the EPL's peace camp in Pueblo Nuevo, Uraba jurisdiction, Antioquia Department. The EPL, which is invlolved in a peace process with the government, has become the mediator for two people who work for Fidel Castano and who were kidnapped by the people's militias on 14 November, when the national strike was under way.

The people's militias, whose leader was once a member of the EPL before it began the process of returning to civilian life, kidnapped Teresa Gomez Alvarez, a 34-year-old woman who is in charge of the Cordoba Refugees Foundation—which is distributing Fidel Castano's land to the peasants—and Tarquino Rafael Morales Diaz, the administrator of Las Tangas Farm. This farm was owned by Castano Gil, the number one enemy of the EPL, the group that has always controlled the zone of Cordova.

The kidnapped individuals were turned over to the EPL yesterday. The EPL is willing to spare their lives by turning them over to the Red Cross or to Jesus Antonio Bejarano, presidential adviser for peace, in a few hours.

Extraditables Issue Communique, Release Reporter

PA2611184390 Bogota Inravision Television Cadena 2 in Spanish 1735 GMT 26 Nov 90

[Text] The Extraditables today announced that they will release one of the nine journalists they have kidnapped. He is Juan Vita, editor of the HOY POR HOY magazine, who will be released because of his ill health. The announcement of Juan Vita's release shows two things. First, it shows a change in the attitude of the Extraditables who, during a difficult period in the negotiations, threatened to kill all the journalists. Second, they evidently do not want to lose what has been achieved in what seems to be an agreement with the government. Here is a report by journalist Rodrigo Barrera.

[Begin Barrera recording] Since 30 August, when he supposedly left to obtain an interview with the Popular Liberation Army [EPL], nothing had been heard about the fate of the magazine editor. The only two messages that the Extraditables have permitted from the kidnapped journalists have been messages from Diana Turbay and Azucena Lievano, who did not specify whether they were all being kept together. With the announcement that Vita will be freed, the Extraditables seem to show they are willing to protect the lives of their hostages, who are their guarantees in the delicate process of dialogue through the Group of Notables. The Extraditables' announcement shows the mood of the negotiations, which on one occasion turned dramatic when the Extraditables said they would execute the hostages if the government did not stop and investigate the alleged violations of the human rights of those who help the criminal group.

The communique of the Extraditables is dated 23 November. It stressed their interest in evading any responsibility for the health of journalist Juan Vita. Paradoxically, the journalist's release because of his ill health, after nearly three months of captivity, is the only sure indication that the Extraditables do not want to waste what has been attained so far regarding solving the drug trafficking problem. This is happening just a few days before the election of the Constituent Assembly, which is seen as a virtual passport to nonextradition. [end recording]

We have last-minute news. Journalist Juan Vita has just been released in Medellin. He was turned over to Dr. Juan Gomez Martinez [former Medellin mayor], who reported that Vita's condition is satisfactory.

Notables on Extraditables' Conditions for Surrender

PA2511174490

[Editorial Report] Bogota Radio Cadena Nacional in Spanish at 1200 GMT on 23 November 1990 carries an approximately 24-minute interview with three members of the Commission of Notables: Deputy Diego Montana [former Patriotic Union party president], former Colombian President Misael Pastrana Borrero, and former Colombian President Alfonso Lopez Michelsen. During the interview, conducted by reporter Juan Gossain, the Notables comment on the Extraditables' document in which they state their willingness to surrender under certain conditions.

When Diego Montana was asked to give his opionion on the Extraditables' conditions to surrender, Montana replied: "They are totally acceptable conditions because they fall within the government decrees' legal framework." He added that the Extraditables' request that they not be forced to incriminate themselves is perfectly legal, explaining that under the Constitution no one can be forced to testify against himself or his relatives. Montana further explains that the Extraditables are requesting their crimes to be considered "special crimes," as opposed to common or political crimes, as defined by law. Montana continues, saying that the "determining factor" was that the Extraditables had to find a way for themselves and their families to continue living in Colombia.

Gossain then asks Misael Pastrana Borrero his opinion on the Extraditables' conditions for surrender, to which he replies that the document very clearly states that it is "a surrender" on their part. Gossain then asks: "On what basis will these persons be tried since they do not have to confess to their crimes?" Pastrana replies: "All penal codes prohibit self-incrimination." He concludes by saying that the Notables only serve to deliver to the executive branch the facts and analysis; they do not express their personal opinions on the issue.

Gossain then interviews Alfonso Lopez Michelsen, asking him if he believes that the Extraditables' demands in the document fall within the government's decree and the Colombian legal framework. Lopez Michelsen replies that their demands definitely fall within this legal framework.

Gossain then asks Pastrana if he believes that the kidnapped reporters will be liberated during this process. Pastrana replies: "This would be the logical consequence, although I do not know at what stage or when" the kidnapped journalists will be freed. He adds that in his opinion there will be a consultation between the Extraditables' spokesmen and government authorities to deal with issues such as extradition, confinement, protection against third-party reprisals, and revenge; this consultation could lead to their formal surrender.

Gossain then asks if the names of the "capos'" representatives or spokesmen are to be made public. Lopez Michelsen replies that these spokesemen are well-known persons who have been advising the Extraditables on legal matters; who have acted as mediators; and who have even published books on the drug-trafficking problem, highlighting the extradition issue.

Gossain then asks if the "capos" themselves would be among those 250 who are allegedly going to turn themselves in. Lopez Michelsen replies that they are definitely the most interested parties in this process because they are the most sought after. He adds that this process would entail turning over the drug organization itself: the producers, the money-laundering, the transportation, the planes, the insurances, and the drug distribution network. Gossain asks if the city of Santa Marta had been chosen as the place to continue the dialogue process and the special place for confinement, as requested by the Extraditables. Lopez Michelsen replies that no special location had been considered. Gossain then asks what the international community's reaction would be if the government reaches an agreement with the Extraditables. Lopez Michelsen explains that this process was a "sovereign" decision made by the Colombian Government and it would be a great contribution on the part of the Extraditables—as well as Colombia—to the struggle against this "scourge" that is causing so much harm to the industrial nations' youth. Lopez Michelsen adds that with the participation of all sectors, a solution to the drug problem seems closer than ever. Lopez Michelsen concludes by expressing his dislike for such a "pretentious and flashy title as the Notables".

Proposed Changes to Judicial System Explained

PA2311183890 Bogota Inravision Television Cadena 1 in Spanish 1730 GMT 20 Nov 90

[Text] Justice Minister Jaime Giraldo Angel explained this morning the scope of the judicial reform bill that the government is submitting to the National Constituent Assembly. The initiative includes special protection for judges, prosecutors, and witnesses. The goverment issued the bill today, and it contains substantial changes in the judicial system. As Justice Minister Jaime Giraldo Angel explained, the new rules would include the following amendments:

1. A specialized public order jurisdiction will be created, with main offices in Bogota, Cucuta, Cali, and Barranquilla.

2. Judges will hand over to the Judicial Police all proof and information, which henceforth the Judicial Police will be in charge of processing.

3. The accused will only be able to demand that proof be presented when the trial is under way, and not before.

4. The judges hearing public order crimes will have their names kept in total secrecy, and so will the key witnesses who request it.

[Begin Giraldo recording] If under any circumstances the media find out the name of the judge who is hearing a case or issued some arrest warrant or order, they are forbidden to provide information that may help identify him, because that is the idea of the ruling. [end recording]

5. Persons under arrest will be turned over to public order judges within 48 hours following their arrest.

6. Procedures will be implemented to allow investigative agencies to go to the site of the crime as soon as possible to ensure greater efficiency in collecting proof and information.

The government noted that the idea of passing this bill is basically to establish a more efficient and less naive system of justice in Colombia.

Gaviria Says Dialogue With Rebels Possible

PA2311230290 Bogota Inravision Television Cadena 1 in Spanish 1731 GMT 23 Nov 90

[Text] Today President Cesar Gaviria Trujillo delivered a speech in Cali, Valle del Cauca Department. Gaviria said that he is open to dialogue with the rebels, but warned against trying to abuse this generous offer.

President Gaviria attended a graduation ceremony at the Marcos Fidel Suarez Air Force Base. In his speech, the president said that his initiative seeks to provide an appropriate framework for the dialogue so that talks with the armed groups will not be useless, adding that his government has shown its good intentions.

[Begin Gaviria recording] From the first days of my administration, I clearly said that my government was open to a dialogue with the armed groups as long as those talks are accompanied by a real desire for peace by those organizations.

Guerrilla groups have been offered a broad opportunity for peace, and this opportunity will be available for all the subversive groups that demonstrate their willingness to end their violent ways.

Experience has shown that Colombians approve sincere initiatives that seek national reconciliation; however, the government will not let anyone abuse that generosity. The Armed Forces will not hesitate to defend the national sovereignty and will comply with their duty of going wherever they are needed. [end recording]

Guerrillas Asks Government for Bilateral Truce

PA2511181690 Madrid EFE in Spanish 1900 GMT 24 Nov 90

[Text] The Simon Bolivar National Guerrilla Coordinating Board (CNGSB) expressed today its willingness to talk to the government and said that the new constitution should in itself be a real peace treaty.

In a communique distributed today, the CNGSB blames the government for the recent climate of war and asks for a bilateral truce—not just unilateral—to continue with the negotiations which could result in the participation of the CNGSB guerrillas in the Constituent Assembly.

The CNGSB communique was signed by Manuel Marulanda Velez, of the Army of National Liberation (ELN); former Spanish priest Manuel Perez; Bernardo Caraballo, of the dissident faction of the Popular Liberation Army (EPL); and the chiefs of the Revolutionary Armed Forces of Colombia (FARC).

The FARC acknowledged its responsibility for the slaughter of six children of policemen in the Huila Department, although it claimed that this incident was a mistake. The FARC criticized the fact that an enemy patrol had carried children and civilians to use them as protective shields.

We will insist on holding talks with the government and will also try to reach agreements with those who will be elected in the upcoming National Constituent Assembly 9 December elections, the FARC added.

President Cesar Gaviria recently said at a military ceremony that the Constituent Assembly elections, in which the members of a commission who will write a new constitution will be elected, is the last opportunity that the guerrillas have to join the public life of the country.

Gaviria added that the process that we are experiencing and the reforms that the Constituent Assembly will propose will undoubtedly destroy all the arguments of the subversive elements. He added that those who continue to use weapons will be isolated like endangered species of dinosaurs that are doomed to be swallowed up by the jungle.

The CNGSB leaders met two weeks ago with a commission of the pro-communist Patriotic Union (UP) which, with the authorization of President Gaviria, traveled to the headquarters of the CNGSB in the mountains of Uribe (Meta Department), approximately 160 kilometers southeast of Bogota.

During this meeting, the CNGSB expressed its determination to contribute, as it has done in the past, to finding a political solution to the national conflict.

The CNGSB communique also reiterated its desire to participate in the National Constituent Assembly, which will reform the constitution between February and July, 1991.

The climate of understanding was abruptly broken off by a series of guerrilla actions against policemen and military installations and the Army's occupation of a guerrilla camp.

Mayor Comments on Communique From New Group

PA2311151090 Paris AFP in Spanish 0712 GMT 23 Nov 90

[Text] Santa Marta, Colombia, Nov 22 (AFP)—Based on a promise he received from an unknown group, Ignacio Vives, mayor of this Colombian beach resort on the

Caribbean coast, disclosed on 22 November that two of the nine kidnapped journalists who are currently being held by drug traffickers could be released this weekend.

Vives said that a man who identified himself as Commander Alfredo, along with a woman with a foreign name, came to his office on 20 November and gave him a document signed by a self-styled group called the Revolutionary Union of Colombian Revolutionary Groups [Union Revolucionaria de Revolucionarios de Colombia] (Unirreco).

According to its alleged spokesman, the new organization groups together the clandestine organization of the Extraditables, the armed wing of the drug mafia; the communist guerrillas of the Revolutionary Armed Forces of Colombia (FARC); the Army of National Liberation (ELN); and the leftist political movements of Firmes [leftist movement made up of socialist and independent groups] and MOIR [Revolutionary Independent Workers Movement].

The document requests that Mayor Vives create a committee for peace and reconciliation in Colombia, which would be in charge of protecting the drug traffickers' and guerrillas' human rights.

It also demands the repatriation of Colombian drug trafficker Carlos Lehder, who was extradited to the United States in February 1987 and is curently serving a life sentence in a Florida prison along with other Colombians who have been extradited to the United States for drug-related crimes.

In addition, the document calls for the postponement of the elections for members of the National Constituent Assembly scheduled for 9 December, in order to permit the participation of Unirreco representatives.

More on Attorney General's Resignation

PA2311142190 Bogota Inravision Television Cadena 1 in Spanish 0000 GMT 23 Nov 90

[Text] Attorney General Alfonso Gomez Mendez today tendered his resignation in a letter sent to the president of the Republic, thus giving President Gaviria more freedom to choose an attorney general. The president and the government minister met upon learning the news, and then announced that next week they will reveal the list of names that will be sent to the Chamber of Representatives for selection of a new attorney general.

The attorney general's letter reminds the president that he had already presented his resignation in August, and that the president had personally sent a letter to the Chamber of Representatives stating that it was inconvenient and unnecessary to appoint his successor at that time.

The contradictions within the government were evident on that occasion. It was initially said the list of candidates would not be sent. Then the government minister said that the list would be sent. Then a communique from the presidential palace said it would not be sent. Since then the Chamber of Representatives has been demanding the list; however, this was only the beginning of the controversy.

A new anniversary of the Palace of Justice events, with the M-19 [19 April Movement] electoral campaign in full swing, coincided with the attorney general's request for the dismissal of General Jesus Armando Arias Cabrales, which was not welcomed by the public. The attorney general asserted in his letter that, taking into consideration the electoral situation, he wants to help the president overcome the deadlock. He added, however, that those who now criticize him for electoral reasons and who question the fact that he investigated public officials for alleged cases of torture and missing people might later repent for the damage this will cause the state of law. Gomez also warns that the controversy about the Arias Cabrales case will be used to exert pressure on the attorney general's delegate to the Armed Forces, who is in charge of trying other military officers.

Army Reports on FARC's Organization, Operations

PA2511221190 Bogota Inravision Television Cadena 1 in Spanish 1730 GMT 20 Nov 90

[Text] The "Cinevision" newscast has seen a confidential Army report that discloses the financial and logistical organization of the 48 FARC [Revolutionary Armed Forces of Colombia] fronts. Here is Carlos Gomez with his report:

[Begin Gomez recording] The Army report shows that the FARC's 12th, 23d, and 46th Fronts in Middle Magdalena, the 5th Front in Uraba, the 8th Front in Cauca, the 29th Front in Narino, the 38th Front in Putumayo, the 33d in Norte de Santander, and the 19th Front in Cesar conduct the largest number of criminal activities. Military intelligence learned that the 2d and 17th teams in Huila and the teams on the eastern plains are in charge of kidnapping and blackmailing cattlemen, merchants, and officers. The 12th Front in Santander, in San Vicente and El Carmen Municipalities, has perpetrated the greatest number of murders. The Army report states that 13 FARC fronts are in charge of conducting negotiations with drug traffickers, the most outstanding being the 13th, 14th, and 15th Fronts in Caqueta, which collect a tax on each kilo of cocaine that moves through that area.

Each front has a group devoted to ideological tasks and the recruitment of peasants. Each team has 150 guerrillas. The FARC is therefore the largest subversive group in the country and operates as a business that generates millions in profits from its unlawful activities. [end recording]

Social Conservative Congressman Killed

PA2411233490 Bogota Radio Cadena Nacional in Spanish 1220 GMT 24 Nov 90

[Text] Bucaramanga—Operations in pursuit of the paid assassins who murdered Social Conservative Congressman Juan Barragan Ruiz in a downtown center in Bucaramanga on 23 November are continuing.

The gunmen, who were riding in a Suzuki four-wheel-drive vehicle with license plate No. SICE-8794, fired several bursts of submachine-gun fire at Barragan Ruiz and his wife, Flor Alba de Barragan, as they were riding home in their private vehicle.

The state security agencies do not know the identity of the killers or the motive they had for the crime.

[Madrid EFE in Spanish at 0215 GMT on 24 November reports the murder of Barragan and adds the following: "In a communique sent to several Bucaramanga radio stations, a group belonging to the National Liberation Army has claimed responsibility for the murder of Barragan, who had been accused of planning killings of peasants and Indians in the region."]

Paraguay

Senator Calls U.S. AID Project 'Interference'

PY2711014290 Asuncion HOY in Spanish 25 Nov 90 p 21

[Excerpts] According to Senator Fernando Vera, leader of the Febrerista Revolutionary Party, U.S. AID project No. 122 "is an interference in our country's domestic affairs which was requested and authorized by the national administration." The recommendations contained in the document have been implemented by AID itself or by other entities involved in the project whenever an opportunity presented itself.

Asked about AID project No. 122, which refers to privatization of the National Cement Industry (INC), Senator Vera said: "This project must have been requested by the Paraguayan Government. Undoubtedly, it must have been requested by the industry and trade minister." [passage omitted]

"The point is that our industry minister or our Industry Ministry must have asked AID to contract with private consulting firms for studies or recommendations on the issue. Parts of this study are now being made public, but I insist that it was prepared more than one year ago.

"The contents of the study are obvious: It makes recommendations on how the INC must be privatized.

"It also notes that the procedures or techniques used in this privatization can be applied to the privatization of other state-owned companies.

"This study—financed by AID—and the recommendations contained in it are, to a certain extent, a way of interfering in our domestic affairs. The interference consists of allowing a U.S. Government institution to finance that type of request.

"The Paraguayan sepoys who want to solve their problems by asking for the opinion of entities that are financed by the U.S. Government are to blame for this type of interference. [passage omitted]

"The executive branch should have requested this type of study from a Paraguayan company or from Paraguayan experts. For political reasons or because of pressure exerted by the U.S. boss, however, we have asked U.S. AID to draft this project.

"This is a consequence of the thinking of some people, who believe that everything must be solved with the help of foreign countries or with the participation of foreign governments, or must be decided by them," Senator Vera concluded.

Rodriguez Urges Confidence in Military Comrades

PY2411124490 Asuncion ABC COLOR in Spanish 22 Nov 90 p 5

[Text] President Andres Rodriguez said yesterday that he is fully "aware of the risks involved in the exercise of freedom." He noted, however: "I also fully trust in my comrades' love of their fatherland." The president made these statements in a speech to military chiefs who honored the president with a luncheon at the headquarters of the Draft and Mobilization Service. He noted that "they have jointly committed themselves to helping Paraguay restore its dignity, which had been tarnished," and added that it is up to the men-at-arms to help our country "enjoy permanent freedom."

The president, who was accompanied by relatives, said: "We hope the parties will help give all citizens the right idea about democracy and the significance of living in freedom."

The president added: "May politics become an instrument of service to the fatherland, doing away with all sorts of demagoguery, to enhance the culture and education of our heroic and noble Paraguayan people."

"We should continue to use our efforts, spirit, and sacrifice to consolidate the norms that rule our discipline and our conduct, to maintain unity and cohesion among all members of our glorious Armed Forces, and to consolidate the democracy that was started by the military institutions. This will allow us to strengthen and nourish—for the good of our beloved fatherland—the democracy and freedom in which the Republic of Paraguay is living."

"I am fully aware of the risks involved in the exercise of freedom, but I also have full confidence that my comrades—who accompanied me at dawn on 3 February and who are accompanying me now—love our fatherland. I trust that we will remain together and that we will cooperate in installing our fatherland in the glorious position it must occupy among civilized nations," he said.

PLRA President Says General Violated Law

PY2411133090 Asuncion HOY in Spanish 23 Nov 90 p 9

[Excerpts] Juan Manuel Benitez Florentin, president of the Authentic Radical Liberal Party (PLRA), stated yesterday that the presence of military officers in politics represents a violation of the current electoral law and that criticism of this situation cannot be considered an antimilitary position, as has been stated by Rear Admiral Eduardo Gonzalez Petit, commander of the Navy.

"No opposition politician—particularly me—has an antimilitary attitude. On the contrary, we want the Armed Forces to be respected by all. Therefore, they must be institutional and professional, without affiliations to any party," he said. [passage omitted]

Benitez Florentin added that although General Ocampos attended a political meeting in a "passive" manner, as stated by Gonzalez Petit, "it was definitely a party political action, and participation in that meeting represents participation in a political action. The electoral code clearly establishes that members of the Armed Forces are not permitted to participate in political actions either directly or indirectly, and here the electoral code was clearly violated," he added. [passage omitted]

Rodriguez Cancels Uruguay Visit; Gros To Visit

PY2211222690 Asuncion ULTIMA HORA in Spanish 22 Nov 90 p 13

[Text] Foreign Minister Alexis Frutos Vaesken reported this morning that the trip President Andres Rodriguez was planning to make to Uruguay on 26 November has been completely ruled out because of the president's busy agenda. During this trip, Rodriguez had planned to meet with the presidents of Uruguay, Argentina, and Brazil to discuss, among other things, the Southern Cone common market.

Frutos added: "I briefed the president on the working visit Uruguayan Foreign Minister Hector Gros Espiell will be making to our country. During his visit, we will discuss two topics: The common market and President Bush's Initiative for the Americas. Gros will arrive here on 25 November, we will hold working meetings on 26 November, and he will return to Uruguay on 27 November."

Frutos concluded by saying: "The idea is that the four countries that will make up the Southern Cone common market should adopt the same position."

Honduran Defense Minister Arrives for Visit

PY2611132490 Asuncion ABC COLOR in Spanish 26 Nov 90 p 10

[Text] Honduran Defense Minister General Francisco Cepeda was yesterday welcomed by his Paraguayan counterpart, Angel Souto Hernandez, upon his arrival in Paraguay.

Cepeda and Souto said that this is not an official visit and that they will not formally discuss any topic related to their ministries. They said they have known each other since 1986, when they both served as ambassadors to Taiwan, and that this is just a "private visit" between friends.

Commenting on the Central American situation, Cepeda said that calm now prevails in the area even though there are still some internal conflicts in Nicaragua, El Salvador, and—to a lesser degree—in Guatemala. He noted, however, that Honduras has adopted a more relaxed position now, especially along its southern border, following the "contra" withdrawal from Honduran territory as a result of the Nicaraguan pacification process.

Cepeda reported, however, that there are still some U.S. military personnel within Honduras, but they are just members of "a military post on a Honduran base, and they are providing medical services in some civic military actions."

Cepeda declined to comment on the recent outbreaks of violence in El Salvador.

Uruguayan Foreign Minister Arrives for Visit

PY2611141890 Asuncion ABC COLOR in Spanish 26 Nov 90 p 10

[Excerpt] Uruguayan Foreign Minister Hector Gros Espiell arrived yesterday in Asuncion. He said that Paraguay and Uruguay will request preferential treatment in the future Southern Cone Common Market [Mercosur], because the economies of Paraguay and Uruguay are smaller than those of Argentina and Brazil. He added that these four countries, as a bloc, may sign a "basic treaty" with the United States early in December.

Gros said he is "almost sure" that a formula will be found "to ensure the full participation of Paraguay and Uruguay—on an equal footing and without discrimination—taking into account the smaller size of their economies, to prevent them from a negative impact during the initial stage of the process."

Gros said he discussed the issue with his Argentine counterpart, Domingo Cavallo, during a "long working breakfast" shortly before he left for Asuncion, adding that he will also discuss the matter with Paraguayan officials.

The Uruguayan foreign minister added that the main problem does not rest necessarily with Paraguay and Uruguay, in that they were late in joining the initiative (Argentina and Brazil have already signed 24 integration agreements), but with the "evident lack of proportion of our economies, a fact that will force Paraguay and Uruguay to begin a process of change to make our products more competitive."

Thus, Gros said, "a system will be designed whereby the full participation of our two countries in the Mercosur could differ somewhat from that of the other two partners." [passage omitted]

Group Creates New Colorado Party Faction

PY2411231890 Asuncion NOTICIAS in Spanish 24 Nov 90 p 6

[Excerpt] The Principled Colorado Popular Front [Frente Colorado Popular Principista - FCPP] was officially created at Colorado Party headquarters yesterday. This new faction—which is one more movement among many in the Colorado Party—is headed by Bernardino Mendez Vall, who left the Democratic Alliance along with other party members to create their own movement.

During the ceremony, the speakers emphasized that the new movement is coming into being because some party members "are tired of being handled by a worn-out, obsolete leadership in the Democratic Alliance and the so-called Orthodox Traditionalists."

The new faction says that "this is the time for party and national redemption. A party movement is not a factor for party division; on the contrary, it can help party members build a democratic society without privileges or exploited classes." The new movement's members said that if these objectives are fulfilled, the movement will be achieving a goal that has been delayed for years.

The other leaders of the new movement are Deputy Miguel Angel Aquino, Carlos Duarte Torres, Celso Rolon, Leandro Prieto Yegros, and others who were members of Adeco [Colorado Democratic Action], and the so-called "democratic" faction of the Colorado Party. [passage omitted]

Navy Commander Supports Democratization

PY2111020990 Asuncion HOY in Spanish 20 Nov 90 p 9

[Excerpt] After reporting to the chief of state at the Lopez Government Palace yesterday, Navy Commander Vice Admiral Eduardo Gonzalez Petit stated: "The Armed Forces are working with great responsibility in each of the respective branches, where there is a unity of thought on institutionalization and support for the current democratization process that the country is experiencing."

Vice Admiral Gonzalez Petit acted as Armed Forces commander in chief during General Andres Rodriguez' trip to Japan.

Gonzalez Petit added: "In fact, the Armed Forces initiated the process, and they are supporting the citizenry's democratic initiatives. God willing, we are going to complete this mission successfully." [passage omitted]

Argana Criticizes Arrest of Colorado Leader

PY2111023490 Asuncion HOY in Spanish 20 Nov 90 p 8

[Text] "We are returning to the past," said Republican National Association acting President Dr. Luis Maria Argana yesterday as he criticized the arrest of Colorado leader Domingo Delvalle. The politician, however, cleared President Rodriguez of responsibility for the episode because, as Argana noted, he was abroad.

"We are somewhat concerned about this measure, which is detrimental to the rule of law now prevailing in the country. Arresting a Colorado leader for expressing sympathy for one of the party leaders can be considered sabotaging democracy," Argana said.

He added: "Unfortunately, this is a regression; we are returning to the past. I have read the opinions of many of the country's democratic leaders who consider this arrest a step back in the country's democratic life. I believe it is a big political mistake. Today we are going to file a writ of habeas corpus so Dr. Delvalle can regain his freedom. I personally plan to visit him so he can feel his party's solidarity in view of this antidemocratic act, which obviously contradicts General Rodriguez's proclamation and efforts on behalf of our democracy. Obviously, Gen. Rodriguez did not authorize that measure because it was taken while he was traveling abroad. Other people are responsible."

Affirming that democracy is a way of life, Argana pondered: "We cannot have democracy if people are persecuted for their ideas. The contradiction should be pointed out. Some people mistakenly say that I speak this way because I am no longer a minister. I will demonstrate right here, with this newspaper clipping given to me, that on October 6 of last year, when I was a minister, I clearly said: 'The time when orders were dictated from the palace is over.' At that time, I was already defending the Colorado Party's autonomy."

Rodriguez on Scientific Exchanges With Cuba

PY2311163090 Asuncion ABC COLOR in Spanish 21 Nov 90 p 11

[Text] President Andres Rodriguez yesterday expressed his wish to establish a method of exchange with Cuba. The president also expressed his wish to see the Caribbean country integrated into the region and hoped that Cuba will soon be "gradually following the same path we are following."

Asked about the possibility of accepting a Cuban offer for technical assistance in the area of meteorology, the president said: "We could really use some of their scientific institutions and programs and the opportunity to send some of our people there and perhaps bring some of their people here." The president made these statements after inaugurating the National Central Hospital in Itagua Guazu, Itagua.

"I think science and learning have no frontiers," the president said, adding: "I trust that we will soon have Cuba joining all other Latin American, Central American, and Caribbean countries, and gradually following the same path we are following."

"Just think of the wall that divided the two Germanies for so long. There was no need to use any missile or cannon to destroy the wall, which divided that nation for so long. Today they are united by the single goal of freedom and by following the policies of one of the two Germanies," Rodriguez said.

"I think Cuba may soon think about joining with and forming a single group with Ibero-American, Central American, and Caribbean countries. We would then have a large bloc of countries helping each other. We could really use some of their scientific institutions and programs and the opportunity to send some of our people there and perhaps bring some of their people here."

Rodriguez recalled a conversation he held with Fidel Castro in Brasilia: "Fidel Castro offered me the assistance of the Veterinarian Technical School in case we wanted to send some of our people there to study the insemination of horses, cattle, and other animals. On that occasion I remember telling him that we were already one small step ahead because we were working with embryos and the transfer of them. I thanked him very much for his offer," the president said. The Rodriguez-Castro meeting took place at a luncheon during Fernando Collor de Mello's inauguration as president of the Federative Republic of Brazil this past March.

EEC Businessmen To Help Exports to East Bloc

PY2411114090 Asuncion ABC COLOR in Spanish 23 Nov 90 p 7

[Excerpts] EEC businessmen will visit Paraguay in mid-December to negotiate purchases of meat, soybeans, and cotton for East bloc countries, which will pay for the goods in cash and barter deals with the West Europeans. An EEC spokesman noted that indirect trade is the safest system of trade for Latin America because of the shortage of foreign currency on the other side of the iron curtain.

Juan Luis Caravedo, spokesman for the West Europe bloc, said yesterday that there is a possibility of Paraguay exporting food and other basic products to the Soviet Union and other East European countries through the EEC. He said negotiations toward this goal are under way. [passage omitted]

Caravedo said that there is interest primarily in purchasing meat, soybeans, and cotton.

Caravedo added that purchases of other agricultural products and alcohol have been ruled out because the country lacks the necessary infrastructure to meet a continuous demand for such products.

Caravedo pointed out that "these products are still not ready to fulfill the level of demand from abroad." He added that it is important for Paraguay to seriously consider East European demand for products since Western Europe cannot meet all their needs because of high production costs. Latin America would be a great solution for these markets.

Caravedo said: "In my opinion, one should be ready to act as a supplier within five years. The opening of Eastern Europe is evidence of the domestic crises they are experiencing. Perestroyka did not come about because they gave up their ideals; rather, it is the result of the fact that there is a total crisis." [passage omitted]

Senate Approves New Supreme Court Nominee

PY2311175490 Asuncion ABC COLOR in Spanish 23 Nov 90 p 6

[Excerpt] The Senate yesterday approved the nomination of Carlos Kohn Benitez [who was accused of having ties to former President Stroessner] as a member of the Supreme Court. The hotly contested nomination was approved because the votes of almost all the Colorado Party senators, including some senators who were members of the opposition during the past regime. [passage omitted]

Peru

Minister Hurtado Opens Business Conference

PY2311180090 Lima Television Peruana in Spanish 0100 GMT 23 Nov 90

[Excerpts] Notable Peruvian and foreign personalities are attending the 28th Annual Conference of Businessmen, CADE-90, which opened today at the La Luna Hotel in Ica. [passage omitted]

The first speaker to address the conference was Economy and Finance Minister Juan Carlos Hurtado Miller, who summarized the principles of the eight policies of the economic stabilization program, including price policy, exchange policy, monetary policy, and the trade policy for the reorganization of the government's business activities. On the latter topic, the minister said that the reorganization of the state-owned companies is not simple because 32 of the 182 companies are almost bankrupt. [passage omitted]

He said the government has started a program to reincorporate the country into the international financial community. The economy minister made other important observations, stating that the 1991 budget did not allot any money to service the Peruvian debt to foreign governments and banks because the country has no possibility of making any payment during, at least, the first three years of the stabilization program.

He said that he will meet with Paris Club creditors, to whom Peru owes nearly $6.5 billion, in January 1991. [passage omitted]

President Alberto Fujimori will close the CADE-90 conference on 25 November.

Fujimori Addresses Businessmen on Priorities

PA2611212190 Lima Television Peruana in Spanish 0100 GMT 26 Nov 90

[Speech by President Alberto Fujimori at the close of the 28th Annual Conference of Business Executives, CADE 90, in Ica on 25 November—recorded]

[Excerpts] [passage omitted] At this point in my speech, I would like to ask you to reflect on something: Are we truly a democracy? If democracy means the government of the people, by the people, and for the people—a government of the majority—I still find it very difficult to say we are all that. Our country has always been governed by powerful minorities, oligopolies, cliques, pressure groups, rings, families, and sects which—although prone to lethal internal clashes—have reached a consensus to obstruct progress, whenever such progress has meant a threat to their interests. [applause]

In times of crisis, we Peruvians like to be aware of the statistics that reflect the deep, overall crisis that we are experiencing. An outraged minority, the terrorist groups, has inflicted losses on the country by the approximate equivalent of our GNP or our foreign debt. There are, however, other harmful minorities. How many man-hours have been lost in the past 10 years as the result of politically oriented strikes that were motivated by party slogans or the trifle needs of leaders? Surely, the equivalent of thousands of millions of dollars has been lost. How much does the government lose in production because of these minorities who let thousands and thousands of friends and relatives on the government payroll every five years? [applause]

We have done away with this. How much did this poor country lose because of the craftiness of a minority? Some bad businessmen, at the government's expense, trafficked with MUC [millions of counting units] dollars, imported meat, medicine, and other products that they later sold to the people at prices that in no way reflect an honest profit. This same minority was involved in business and financed the campaigns of political parties in order to regain power every few years. There are other harmful minorities that live off the people and the productive sectors. If we were to add up all the damage inflicted by these minorities, we would end up with a terrifying figure.

Evidently, these minorities that I have confronted in the past three months act with so much freedom and power because the majorities of this country did not have the proper channels of expression to challenge them. The Peru that we dream about is not far away. It is closer to us than we think. Millions of Peruvians, businessmen, workers, public employees, students, and housewives can bring about this Peru overnight; if they make up their minds to stop being passive and be active, militant citizens. I believe —and I feel optimistic about this— that the Peruvian people will become more and more aware of all this.

My government has already started to plant the seed for a true democracy and is bent on establishing a true market economy that will do away with privileges and inefficiency and encourage true and healthy competition. [passage omitted]

It is not difficult to understand that this implies a sacrifice for the businessmen and workers under the current circumstances. For the former, it may represent a drop in sales, problems meeting a payroll, and even the possibility of bankruptcy. For the workers, however, the crisis may be the difference between survival and death—and I am not exaggerating.

Therefore, I believe that we must all share responsibility. We live in a difficult country but it is our beloved country. We need to exert ourselves to the utmost because we must all share the responsibility. The responsibility of the media and the intellectuals, the magistrates, the workers, the government, and the businessmen is important and necessary. This sum of responsibilities implies true concessions for the sake of the nation's interests.

Peru is a country that wants to confront the future. That is why I tell you, my friends—businessmen—that Peru expects a responsible conduct, a sensible reply from you. You have welcomed here, at CADE 90, the seriousness and responsibility with which my government acts, and I thank you for this. It is proof of my government's true intentions. Nevertheless, do not wait too long to give it the credit it deserves. Any delay in these difficult times can be dangerous.

In addition, you, the businessmen, are accustomed to taking risks. I tell you frankly that Peru expects you to set aside your desire for short-term results and speculation. It also hopes that some of you will not take your money abroad. Modest estimates indicate that $10 billion have been taken out of the country. I salute and congratulate all the Peruvian businessmen who have their money here, and those who have brought it here. I urge those who have not done it, to do so. Peru will aptly value a gesture like this.

I also ask you, will all honesty, to exert yourselves and pay your debts with the Mining Bank, the Industrial Bank, and associated banks. These debts represent a heavy burden of several tens of millions of dollars which are now necessary to sponsor export, industrial, and mining activities.

I also must bring to your attention the business sector's obligation to pay its taxes fully, without evasion. In this regard, I must stress that it is outright unacceptable for me that some oligopoly companies attempt to corrupt government employees. I believe, gentlemen, that this practice must be done away with to promote a healthy state-private sector relationship which, from now on, has to be very positive.

In these three months my government has halted skyrocketing inflation, it has introduced discipline in the economic sector of the nation—starting with the government—and, it has taken some decisive steps to reconstruct road infrastructures as well as to offer port services in harmony with export strategies and policies. Likewise, the government has created a new tariff structure and a number of measures aimed at bolstering healthy business competition. But, above all, we want to impose discipline and redeem the principle of authority.

The stabilization program is being complemented with another one which could be labelled, "transition program for a new Peru." This program includes the formulation and follow-up of structural reforms which will allow the creation of a social and productive structure to enable us to reach levels of efficiency and competition so that our products can compete with imported products. This translates into cost reduction and improvement of those products and services which are offered to our local consumers. Having said the above, you now know about the economic reform which is being carried out.

To leave no doubt concerning our commitment to create a new fatherland with more opportunities, and to allow businessmen who believe in Peru to plan their productive investments on a medium and long-term basis. My government will issue a tariff reduction schedule shortly. This schedule is part of a simple tariff system that will be fully implemented during this administration in order to ensure our products' domestic and foreign competitivity.

During the decade that we are beginning, Peru must reverse the declining trend of its economic growth, which has been the norm for the past few years. In order to do this, words and intentions are not enough. What is fundamentally required is investment. There must be investment within a stable climate with clear rules and clear responsibilities. It is in this field where you, with your experience and creativity, can contribute significantly to the process of changes in which we are engaged. The industrial revitalization that Peru needs is a part of this policy. I do not want to go into detail at this moment, but I do want to say that the master plan has been distributed among those present. The international conditions that we face, and the trend toward modernism, demonstrated by the different geographic blocs, compels us to redirect our economic development strategy. One cannot live in an autarchy. It is necessary for us to participate internationally and to be on an equal footing in international trade.

To do this, we must improve our country's competitive level, both in our internal production as well that directed abroad. Also, our natural exports must be worth more if we are to retain a larger amount of surplus in the country. This will permit us to revitalize our investment-production process and integrate technology at the same time. Hyperinflation is being curbed and with it the doors are opening to permit us to emerge from the economic crisis. However, the other national plight, subversion,has not been eliminated. [passage omitted]

We will not remain idle as the criminals commit their homicidal actions. We will show the country and the world that democracy is capable of defending itself and being sufficiently severe, while acting within the framework of the law. In this regard, exercising the powers bestowed on me by the constitution, I will submit measures to the legislative branch for approval.

In the short run, I hope to have a set of provisions to ensure that the measures and actions of the Armed Forces and the police will not all fall under the jurisdiction of judges who—because of the current legislation that has been adjusted to peacetime—feel powerless and threatened and are forced to release subversive criminals. [applause]

Our current legislation was designed for normal times and not for emergency situations brought about by terrorism. It is incredible that the capture of a terrorist, which consumes so much police effort, ends in his release within 15 days. This is not a game. Now is the time to act with the strongest determination.

I can tell you that the government will do all it can to ensure that its citizens are able to carry on their activities in peace and freedom. As you all know, however, government alone cannot achieve this goal even if it used all its resources and personnel.

All its citizens, businessmen, politicians, church, peasants, workers, students, and all men and women must join our struggle to defend democracy and the right to freedom. All those who wish to live in freedom and are against homicidal and inhuman terrorism must also lend a hand in this great challenge to conquer peace and defeat subversion.

I ask: What is the businessmen's role in this? How can they help to eliminate subversion? What could be their effective contribution to save the country? I have on several occasions pointed out—and you will agree with me—that subversion is a factor that affects and is present in all areas of national life.

Terrorist violence is but one aspect of subversion. To think that a military defeat of this scourge will resolve the problem is naive, to say the least. Let us not forget that behind violence and its escalation in the past years, there is work involving many years of ideological saturation through the exploitation of conditions such as poverty, illiteracy, lack of opportunities, and frustration. In other words, the existing social injustice has created pockets of resentment and a propensity for violence among certain segments of the population.

As long as these structural imbalances are not overcome, it is evident that the terrorists will continue to manipulate the political, economic, and social circles and continue to pose a threat to the system's stability, even if we manage to deal them a military defeat.

Against this backdrop, I believe that the answers to the questions that I have posed are clear: We will respond to the violent actions of terrorism by combating and defeating them with our Armed Forces and the police. As for the structural imbalances, we will combat and defeat them with development. It is in this area where the Peruvian businessmen can make valuable and patriotic contributions.

To the extent that you invest more in the country, create more jobs; increase and improve product quality; export more and better products to obtain more foreign currency; and pay your fair share of taxes; in other words, to the extent that you support with determimation the joint effort to bring national development, you will be making your best contribution to defeat subversion and upgrade our people's well-being.

It is easy to notice a very direct and proportional relationship between our stabilization efforts and terrorist attacks. They do not want us to overcome the crisis, because they view this as a historic opportunity to seize power.

The success of the national reconstruction program will constitute a formidable barrier for the subversive criminals. The actions of the state, although it has been involved in an over a decade-long struggle, will be obviously insufficient in the short run in view of the magnitude and log history of the inherited problem.

This is why, if we have been pragmatic and determined in our anti-inflationary struggle, we will be doubly so in our struggle against terrorism. For these very difficult times, we have drafted the necessary plans and policies to first implement an adjustment and stabilization process and later embark on the lift-off stage. This is what the country needs to overcome the crisis. There is no other option. There is no politicking, greed, or desire to claim center stage involved.

Businessmen, You should all know that all of Peru needs your support, work, and contribution. At this decision-making time, there is no place for cheap demagoguery, discordant radicalism, and political styles that we have already left behind. [passage omitted]

IPSS Workers Refuse Assistance to Patients

PY2311130090 Lima Television Peruana in Spanish 0100 GMT 23 Nov 90

[Excerpts] Workers from the Peruvian Social Security Institute [IPSS] are showing up for work. According to patients, however, their attitude shows disrespect for the law and system beneficiaries. The IPSS workers are punching their time cards but giving no assistance to patients at any of the IPSS polyclinics or hospitals.

Annoyed patients at the Guillermo Almenara and Edgard Rebagliati Hospitals urged workers to fulfill their duties. The IPSS workers are gathering in hospital corridors and offices while thousands of elderly people, women, and children in hospital beds—some in serious condition—are not even given food. [passage omitted]

IPSS President Luis Castanedo Alonso has warned that workers who punch their time cards and do not work will be dismissed after being submitted to administrative proceedings, just like workers who are still on strike. Castaneda, who said he will not change his position, has visited President Alberto Fujimori at Government Palace.

[Begin recording] [Castanedo] I have come here to thank the president for his support and to respond to his concerns about pensioners, patients, and elderly people.

[Reporter] Will you stand by your decision to dismiss workers who do not fulfill their duties?

[Castanedo] Yes, the IPSS Council of Directors has made this legal decision. Therefore, all measures that have been announced will be complied with.

[Reporter] [Question indistinct]

[Castanedo] No, we still have not done so because we must comply with all aspects of the law, which in this case involves the terms of Legislative Decree 276. I want to make it very clear that we will act in accordance with the law. We will not contradict any law or rule. [passage omitted] [end recording]

Most of the public employees who were on strike have resumed their activities. According to public employees, assistance in areas such as health are being fully rendered to the public. Only a very few workers are still complying with the strike ordered by the CITE [Intersectorial Confederation of Public Employees].

CUT Leaders Lift Strike

PY2311140890 Lima Television Peruana in Spanish 1100 GMT 23 Nov 90

[Excerpt] [passage omitted] In an unexpected news conference, Segundo Ponce de Leon, leader of the Workers Union Center [CUT], has announced that CUT leaders met last night and decided to lift the strike by workers of the Peruvian Institute of Social Security [IPSS]. This strike, which has gone on for two weeks, has greatly affected people insured under the IPSS system. Activities at the IPSS will return to normal today.

President Fujimori has offered his full support to the IPSS chairman and to the program to improve health services for insured and retired persons.

Central Bank President Discusses Economic Policy

PY2411220090 Lima LA REPUBLICA in Spanish 18 Nov 90 Sunday Suplement p 10

[Interview with Central Reserve Bank President Jorge Chavez Alvarez by reporter Mariella Balbi in Lima; date not given]

[Text] [Balbi] Dr. Chavez, many public sectors will need more resources than those apportioned in the budget. Will you give in to pressure from the executive branch to finance those gaps?

[Chavez] In principle, the Treasury is supposed to finance the public sector. This is the agreement...

[Balbi] Suppose that some tax fails and the total collection falls short...

[Chavez] The Central Reserve Bank will not finance those gaps.

[Balbi] Under what circumstances will you issue paper money?

[Chavez] The Central Reserve Bank will offer credit lines for some priority activities, such as small enterprises, the import of equipment and machinery for export-oriented projects, or irrigation projects. The issuing money for these is sound and will not generate inflation. We will not issue money for the public sector. If tax collections are lower than expected, expenditures should be reduced.

[Balbi] But expenditures are already low; budget allocations are the minimum required to operate.

[Chavez] It is the situation of any housewife. If the money is not enough, expenditures must be cut. I guarantee that we will not issue money for unbudgeted expenditures.

[Balbi] According to some economists, the issuing of money increased 81 percent in September and 34 percent in October. How much will it increase this month?

[Chavez] Those expansion rates were justified by the large decrease in real liquidity. We have tried to reduce the rates since then, and there has now been a substantial reduction in the growth rate of the issuing of money. We expect that it will be no more than 9 or 10 percent.

[Balbi] Is the current economic program creating conditions for a future reduction in the issuing of money?

[Chavez] We are trying not to have uncontrolled growth. It has been fully contemplated...

[Balbi] But there is no plan for the effective reduction of public enterprises and most sectors have only one-fourth of what they need.

[Chavez] It so happens that breaking inflationary expectations in the public and private sector is difficult. There are always pressures for more financing. This is normal. This happens in all countries; all central bank presidents are exposed to the same pressures.

[Balbi] President Fujimori has reportedly said that you are becoming too orthodox. Has he made some comment in that regard to you?

[Chavez] No. On the contrary, the public knows that Fujimori was the only candidate who stood for the autonomy of the Central Reserve Bank. Not even FREDEMO [Democratic Front—the group that supported Mario Vargas Llosa for president] did that. That is just a political rumor...

[Balbi] Will the Central Reserve Bank loan money to the Treasury to pay the IDB [Inter-American Development Bank] and the World Bank $16 million and $12 million, respectively?

[Chavez] According to the contacts I maintain with the deputy finance minister, those payments are always considered by the Treasury. This now has to looked at in a broader context, and there is a possibility of discussing what role, exactly, the Central Reserve Bank should play now.

[Balbi] But will you lend the money or will you not?

[Chavez] That is not being considered at this time.

[Balbi] Suppose they ask you directly for a loan?

[Chavez] The important thing is that the monetary program not get out of line.

[Balbi] Then such a request would not be considered?

[Chavez] Not necessarily a direct request. The basic point is that the monetary program will be granting overall financing, not for this loan or another. Loans can be accommodated within the monetary program.

[Balbi] Meanwhile...

[Chavez] Meanwhile, we are conducting a joint analysis with the Treasury. Ideally, the money should come from the Treasury. Moreover, we have not yet received a formal request.

[Balbi] Is there a possibility that the Central Reserve Bank could tell the Treasury to look somewhere else because we can not make that loan?

[Chavez] We are working closely with the Treasury so that next year, tax reform will bring the tax burden to 12 percent of the GDP. Right now, the Treasury may have seasonal problems, and we can talk then on those terms.

[Balbi] Will the Central Reserve Bank lend more money to the Agrarian Bank before December?

[Chavez] As the Agrarian Bank invests the loan we gave it, we will have to evaluate other requests apart from the $20 million it has promised to assign to the Treasury. If there is an additional request, we will have to analyze it at the board level. We are willing to cooperate with the agricultural sector. It all depends on whether the Agrarian Bank can invest these resources quickly. So far, there have been many difficulties. We have had difficulty in getting the Agrarian Bank to quickly absorb the $60 million lent to it by the Central Reserve Bank.

[Balbi] Why?

[Chavez] Because of the Agrarian Bank's lack of experience in handling dollar loans. They have to lend intis and they do not know how to handle this. This is delaying the operation somewhat. If they grant and recover these credits efficiently, we would be willing to continue supporting them.

[Balbi] Some people have been saying that the $60 million has been creating inflationary pressures. What do you think?

[Chavez] This is not so. It is a loan in dollars and not intis. It will not increase the primary issue of money [emision primaria].

[Balbi] Former Minister Amat has asserted that the Central Reserve Bank currently has $600 million in reserves and that it would have been advisable to keep 400 and invest the remaining 200 in the agricultural sector.

[Chavez] I would like to ask my friend Carlos Amat why only $200 million and not 300 or 400? In all countries of the world, the minimum amount a Central Reserve Bank must have is one that is equal to six months of imports. In Peru, this means $230 million a month.

We are below this level. We must have the minimum amount in order to make our economy credible. If we had invested $200 million in the agricultural sector as Amat suggests, our economic program would have lost its credibility. There was greater acceptance of the program because we have reserves in the Central Reserve Bank.

[Balbi] Amat also believes that the lack of support for the agricultural sector will be reflected in future inflation.

[Chavez] These are only personal opinions. I am more optimistic. The problem is that the amount requested by that sector has been changing. In the beginning, the Agrarian Bank requested over $300 million. Now, in addition to what has already been assigned, the Agrarian Bank is asking for $100 million more; that is, $180 million. This figure is in closer agreement with the Agrarian Bank's previous credit. The Agrarian Bank's needs for the last months of the year range from $80 to $160 million.

[Balbi] What is your opinion of the much discussed inflationary resurgence?

[Chavez] There is no such thing. The program is coming along well. We must point out that in Peru, the inflation rate is calculated on the basis of the consumer price index. The ideal thing would be to calculate it on the basis of a deflator or on the price index of the entire GDP. This is the way it is done in the developed countries. Based on this type of index, our inflation would not be higher than 1 or 2 percent a month.

[Balbi] In your opinion, what would that mean?

[Chavez] That it is very probable that the economic program caused a radical change in the cost of basic staples relative to the cost of the raw materials.

[Balbi] Let us discuss the existing figures or we will end up talking like your friend Saberbein who talked about net and gross inflation rates...

[Chavez] Everyone is now measuring inflation in two ways: point-to-point—meaning, from the first to the last days of the month, and average monthly inflation.

[Balbi] But this has not been very timely...

[Chavez] I agree that the name chosen was not very appropriate [as published], but these two ways are currently being used...

[Balbi] Let us talk about the National Institute of Statistics (INE) index, which totalled 9.8 percent this month. This was the index used by Garcia and Belaunde's administrations. Shouldn't such an orthodox program, with an accentuated decrease in the GDP, have drastically reduced inflation?

[Chavez] It is always hard to reduce high inflation rates. It is difficult, and the government must insist on the chosen policy in order to be able to defeat it. This is not a mechanical matter. I now realize that the cost of recession is too high. Surely, we could all have made this mistake at the time the decisions were made. To establish the price of certain controlled products, particularly food, was a mistake. Then we announced an exchange rate that was much higher than the real one, and this created expectations and speculation. All of these factors worsened the recession which, paradoxically, increased the inflationary pressures. This is what the arch-orthodox [monetarist] economists do not take into consideration.

[Balbi] If the inflation rate remains at 9 percent a month, we will end up having a 200 percent yearly inflation...

[Chavez] This will not happen. The inflation rate will be reduced to a minimum, something like 1 or 2 percent monthly.

[Balbi] What is your estimate for November and December?

[Chavez] We hope it does not pass 5 percent in November and that it goes further down in December. We are planning on a 20-percent annual inflation rate in 1991. This is the Central Reserve Bank's objective. Naturally, inflation does not depend on us alone. We must also put an end to salary indexation or the program will not work out.

[Balbi] Dr. Chavez, we all see that prices are changing.

[Chavez] Yes, but inflation is declining. Unfortunately, the inflation indicator is not realistic because industrial prices do not change. Prices should not increase by 10 percent. Inflation for most prices has been less than 10 percent.

[Balbi] But it is added to the final price just the same.

[Chavez] Some of them do. The expectation of inflation is still there. The way to dispel it is through an intense government-labor- business dialogue to draw up budgets on the basis of extremely low inflation. There is no other way to break this vicious cycle because inflation has psychological roots...

[Balbi] We need a great psychoanalyst then...

[Chavez] Rather, we need a collective catharsis.

[Balbi] Does the Central Reserve Bank contemplate devaluation?

[Chavez] No. The Central Reserve Bank only intervenes to moderate sudden market fluctuations. The current measures will reactivate imports and make an equilibrium possible.

[Balbi] That will raise the dollar exchange rate because demand will be higher.

[Chavez] It will allow the dollar to recover what it lost in the last two months. Possibly, the exchange rate will change very gradually. But it will be determined by the market forces. There is a very slight upward trend.

[Balbi] The Central Reserve Bank's weekly bulletin no longer publishes the exchange parity. Why?

[Chavez] I had not noticed that. Currently, the calculated parity has no technical basis. It is difficult to establish the parity and the matter should be studied.

[Balbi] When will the Central Reserve Bank be able to tell what the parity is? In two or three months?

[Chavez] We are working on that. We expect to complete this analysis in about two months.

[Balbi] The exporters have a value for the dollar that is acceptable.

[Chavez] In general, it is a dollar that will allow continued exports. Some exporters have a problem with the exchange rate, but they can, for instance, pre-finance their exports.

[Balbi] Should they be satisfied then?

[Chavez] They should look at the economic program optimistically and recognize that we are all struggling to hold inflation down. The country has no way out if the economy cannot export. So, we have to seek an exchange rate established by a consensus of exporters and other economic agents. This should be gradual...

[Balbi] That means the dollar price will change in 1991...

[Chavez] Yes, although I do not believe it will change much.

[Balbi] How many dollars is the Central Reserve Bank buying each day?

[Chavez] Two million dollars daily.

[Balbi] Will this be a permanent policy?

[Chavez] We are always keeping an eye on daily events. The trend is to steadily reduce this purchase. Unfortunately, programed corrections were delayed.

[Balbi] If the Central Reserve Bank stops buying, will the dollar slide down?

[Chavez] Yes, but not much. It would not be a good sign to have the dollar sliding down at this time.

[Balbi] How large will our foreign reserves be by the end of the year?

[Chavez] We do not expect large variations. There may be a slight reduction if imports are reactivated. The total will be about the same in 1991.

[Balbi] Will foreign reserves decrease?

[Chavez] We think they could go down to four percent in 10 days.

[Balbi] What is your greatest concern at this time?

[Chavez] I have no concerns about the monetary policy. The persistence of salary indexation bothers me. Most of the stabilization processes that have failed have failed for this reason.

[Balbi] Can you live on 25 million intis per month?

[Chavez] It is low, of course.

[Balbi] This is the human problem confronting the macroeconomic problem.

[Chavez] The thing is that we cannot go on without a program. Things cannot be fixed in two months. If I were earning 25 million intis per month, I would be having a bad time. Salaries have to be recovered and we have to reach an agreement on this. We have to reach the same agreement on the exchange rate. In Israel, the wage earners lost a great deal of their buying power, but they agreed to take small increases that were in line with the stabilization program.

[Balbi] The tariff schedule was supposed to be published in EL PERUANO, but this issue did not go into circulation. What do you know about it?

[Chavez] I know nothing about it. I participated in a meeting with the president, prime minister, and industry minister to discuss tariffs.

[Balbi] Were there serious disagreements?

[Chavez] The proposal on tariffs was made by the Central Reserve Bank. We had a discussion and a preliminary agreement was reached. Our position was to leave this issue for later ...

[Balbi] And there went the decree...

[Chavez] I do not know that.

[Balbi] But you established deadlines for tariff reductions, and now we do not have it ...

[Chavez] The important thing is that a high level of agreement was reached in the government to go on with this type of policy, and the president is convinced of it.

[Balbi] Guido Pennano [industry, commerce, tourism, and integration minister] believes it is not necessary to publish the deadlines ...

[Chavez] In the conversation I had with him, he did not think so. At one time he believed it was unnecessary, but after several meetings he expressed support for publication. It was also recognized that perhaps it was not the appropriate time to release the measures. They would have appeared in the midst of the "Omnibus Law," which would have taken away from the importance of the measures.

[Balbi] Will there be a monetary reform?

[Chavez] Basically, no. The currency will be changed. This is being coordinated with the Congress. Six zeros will be taken from the currency, which will be named "new sol." Its implementation depends on the Congress.

[Balbi] The money spent this year to print bills abroad could have been used to build a factory to print the money in our country.

[Chavez] Yes, the money spent last year and this year. There has been improvisation. We were hoping that the price of the newly imported bills was going to be less. From now on our actions will be more clear. We are going to call for a public bid with the participation of the congressional economy and banks committees.

[Balbi] It is known that disagreements prevail in the Central Reserve Bank executive board. How does this affect the bank's operations?

[Chavez] I would not say that. There is only a diversity of opinions.

[Balbi] There are comments that Julio Velarde, one of the bank's directors, does not go to the bank as often as he did before you became president.

[Chavez] Well, he has academic commitments. He brings information to the bank on what is happening outside. He brings the position of university professors and businessmen. This is the contribution made by the bank directors.

[Balbi] Velarde said once that he would feel uncomfortable if you became president ...

[Chavez] I never heard him say that, and he never told me.

[Balbi] Both directors Martha Rodriguez and Julio Velarde have said the economic program is precarious.

[Chavez] Both of them are good university professors. Some of them are involved in public office for the first time and may have exceeded themselves in their comments ...

[Balbi] They believe it is precarious. Why not say so?

[Chavez] It has been a tradition for the bank directors to maintain some equilibrium. Actually, I believe it has more to do with the terms used to describe the situation ...

[Balbi] Do you disagree with them?

[Chavez] I believe that in addition to salary indexation, the program may have a weak point: The fiscal balance may not have a solid basis. But this does not mean that the program is weak. Furthermore, action is being taken in this regard.

[Balbi] Are relations with the Economy and Finance Ministry fluid?

[Chavez] Quite fluid. We have teams working in the fiscal, tax, and tariff fields. There is great agreement.

[Balbi] There are rumors that you are going to appoint Saberbein as your adviser. Are you?

[Chavez] No.

[Balbi] What criticisms did the IMF make of the economic program?

[Chavez] The criticisms were constructive. The talks were very positive. The IMF is concerned about salary indexation and that the tax reform is not adequate and was not implemented in time. We have to be creative about this. The Central Reserve Bank proposed to the IMF the creation of a "tax intelligence" organization to cooperate with SUNAT (National Superintendency of Tax Administration). The proposal was well received.

[Balbi] You said you were going to moralize the Central Reserve Bank, but the bank employees continue on their posts.

[Chavez] There has not been enough time. We ordered the information technology management to work on a follow-up to anything related to administration of the MUC [single exchange market] exchange system. The way the system was designed did not allow for any control. We are also maintaining close relations with the congressional committees that are investigating the Central Reserve Bank. We are waiting for the results of the investigation.

[Balbi] For example, will any of the people in charge of managing the dollar in the MUC system leave?

[Chavez] I ask the people to trust me because I am going to do things well.

[Balbi] You are asking a lot!

[Chavez] Put it this way: The necessary changes will be made, no matter what.

Energy Minister Comments on Petroperu Losses

PY2611021090 Lima Television Peruana in Spanish 0100 GMT 23 Nov 90

[Excerpts] Energy and Mines Minister Fernando Sanchez Albavera said today that Petroperu has lost $2.2 billion over the last five years as a result of bad policies adopted by the previous administration. He said the increase in fuel prices prevented the company from collapsing.

[Begin recording] [Sanchez] [passage omitted] In reality, more important than losses, Petroperu has failed to collect some $2.2 billion over the last five years due to mismanagement of fuel prices. [passage omitted]

The improper economic policy of selling fuel below cost has caused such losses. This is why I emphasized the need to draft an energy law. In a package to Congress we have requested special authority to promulgate an energy law containing not only an overall energy policy, which is so necessary for the country, but also the creation of a committee to establish prices for energy services to the people.

This committee will be made up of representatives of the central government through the ministries, private sector consumers, and regional administrations. Energy and fuel prices will be technically established and the mistaken policy of politicizing prices, which has caused so much damage, will be prevented.

[Reporter] [words indistinct] ...change the price of fuel at all?

[Sanchez] I have already said that prices will not be modified. Electricity bills and fuel will not become more expensive. [passage omitted] [end recording]

IPEN To Build Nuclear Plant in Yurimaguas

PY2611023490 Lima EL COMERCIO in Spanish 18 Nov 90 p A-8

[Excerpts] The Chamber of Commerce and Industry, the provincial municipality, and Yurimaguas [Amazonas Region, former Loreto Department] producers have agreed to support the Peruvian Institute of Nuclear Energy (IPEN) project to build a nuclear plant—named the Pico-Onda Technological Project—in the region. It was pointed out that the plant will "preserve food products."

These entities formally communicated their decision to IPEN President Rear Admiral Jose Dellepiane Massa, retired. [passage omited]

Committees from the Alto Amazonas Province Rice and Grain Producers have also agreed—through formal general assemblies—to support the construction of the plant, viewing it as "one way to fight the expansion of coca plantations, the essential base of cocaine production." [passage omitted]

Bolivia Negotiates for Experimental Reactor

PY2511015490 Lima EL COMERCIO in Spanish 15 Nov 90 p A 1

[Text] Frigate Captain, Retired, Jose Dellepiane Massa, president of the Peruvian Institute of Nuclear Energy (IPEN), has reported that Peru has initiated negotiations with Bolivia on transferring to that country of an experimental nuclear reactor, as well as the required technology and professional training for Bolivia to begin nuclear activities.

Dellepiane pointed out that a reconversion operation is being carried out on the nuclear equipment in order to convert this zero- power reactor (RP-0) into a "material testing reactor" [preceding three words in English] (MTR), which will permit it to use a more sophisticated radioactive fuel and yield more power.

This transfer of technology is based on a cooperation agreement on nuclear energy that our country signed with Bolivia many years ago.

The IPEN president indicated that he recently talked with the president of the Bolivian Institute of Nuclear Technology [Instituto Boliviano de Tecnologia Nuclear], who expressed his enthusiasm for this operation.

Dellepiane said that since "we received nuclear technology from Argentina with the possibility of transferring it to Bolivia, we can transfer it given the brotherhood and close ties existing between the two nations."

Dellepiane said this transfer of technology would be carried out through a financial operation in which the International Atomic Energy Agency, the Andean Pact, or any other international organization could participate.

The equipment began operation in July 1978 and has been used for nuclear experiments.

Transfer Analyzed

PY2511023290 Lima EL COMERCIO in Spanish 15 Nov 90 p A 8

[Text] If an agreement is reached on the transfer of a nuclear reactor to Bolivia, Peru will reportedly commit to installing the entire nuclear system, putting it into operation, and training Bolivian personnel in charge of handling the equipment.

Peru is working on this operation, which could pave the way for Bolivia's use of new nuclear methods such as the "pico-waves" [pico-ondas] technology designed for the treatment of foodstuffs and sterilization of medical products.

Jose Dellepiane Massa, chairman of the Peruvian Institute of Nuclear Energy [IPEN], has said that state and private enterprises will be able to participate in this operation.

He said Bolivia is very interested in new nuclear methods, especially the "pico-waves" technology, which will increase the storage life of food two-five times. Bolivia is also interested in matters related to radioactive isotopes.

Dellepiane said the transfer of this nuclear reactor will have a great geopolitical impact in this part of Latin America, and will benefit Peru.

He added that this nuclear reactor has achieved the objectives set for it in Peru.

He voiced his hope that in their next meeting, the Bolivian and Peruvian Presidents will analyze this project so that it can be implemented quickly.

Dellepiane has not yet specified the cost of this operation because it still has to be discussed with the Bolivian Government.

He said that 15 days ago, a letter was sent to the Bolivian authorities, who have already contacted the Peruvian Embassy in Bolivia.

He added that both the Peruvian Foreign Ministry and the Energy and Mines Ministry are negotiating this transfer of technology.

Dellepiane said that he hopes this matter will be discussed soon at a political level and that a letter of intent will be signed with Bolivian officials.

He added that Argentina is interested in participating in this transfer and in providing the reactor requested by Bolivia.

Fujimori Meets Colombian Development Minister

PY2511004090 Lima Television Peruana in Spanish 0100 GMT 24 Nov 90

[Excerpt] At Government House, President Alberto Fujimori met with Colombian Development Minister Ernesto Samper, who is making an official visit to Peru. They discussed matters of interest to both countries and stressed the good bilateral relations. They also analyzed coca leaf growing, drug trafficking, and the possibility of increasing current bilateral trade. [passage omitted]

Andean Jurists Propose Coca Substitution Plan

PY2711025490 Lima EL COMERCIO in Spanish 13 Nov 90 p A 11

[Text] The Andean Jurists Commission [CAJ] has made a proposal that is fully coherent with the current government's policy. This proposal provides for the substitution, over a five- year period, of 80,000 hectares of coca plantations in the Upper Huallaga and Central Huallaga zones, which are regarded as the areas most involved with international drug trafficking.

The proposal, entitled Strategy and Action Plan for the Substitution of Illegal Coca Plantations, was drawn up by Iban de Rementeria, adviser on alternative development for the CAJ.

A program of this scope would demand an investment of more than $300 million.

The CAJ proposal is based largely on the alternative development concept, which implies tackling the coca producers' microeconomy without neglecting the economy of the coca production region, thus providing a new approach to the coca-generated economy.

In other words, the program entails a development scheme that allows the peasant and all of the activities he carries out—currently focused on coca production—to become part of a completely legal economy. This entails replacing the plantations and improving production and marketing systems.

The important thing is that the alternative products should be exportable products so they can replace the income that currently, although illegally, enters the country through coca sales.

Moreover, the CAJ notes that special care should be taken in implementing a coca plantation substitution program because the harm that this type of plantation causes to the soil, often makes it difficult to guarantee a minimum production that would make significant investment worthwhile.

Taking this into account, the CAJ study provides for a coca plantation substitution scheme at a ratio of 2.5 to one in converting coca plantations into legal plantations.

In other words, approximately 200,000 hectares of land will be necessary for an effective substitution of 80,000 hectares as proposed by the CAJ.

Implementation of the CAJ proposal, according to research, demands an investment of $1,361,124 [as published]. The jurists point out, however, that this amount should not be regarded as excessive since it represents approximately one percent of what the consumers of cocaine hydrochloride extracted from the hectares proposed for substitution would pay in a five-year period.

Of this amount, approximately 80 percent would be covered by a reimbursable credit to be granted by the international community, while the rest of the financing would be obtained through donations, which would serve, mainly, to finance technical, agricultural, and commercial assistance.

The U.S. role in this issue is crucial. In Cartagena, Colombia, that world power promised to grant, together with the Andean country members, its support at multilateral forums, such as the World Bank and the Inter-American Development Bank, among others, to obtain financing for this type of program. This, of course, is subject to the steps that may be taken to reinstate Peru in the international financial system.

As for the national financial sector, which is currently affected by a lack of liquidity, it is even unable to finance the harvests.

Another possibility is bilateral channels; that is, the support of one government for another.

Moreover, the recent tariff benefits granted by the EEC to Andean countries are very important and encouraging, and will allow a speedy increase in Peruvian exports to the EEC and the export of new products from the higher jungle area.

The CAJ states that a progressive substitution of coca plantations represents the basic ingredient in being able to pacify the stormy Andean-Amazon zone of Peru due to the situation generated by the fact that terrorists use the area covered by coca plantations for strategic purposes.

Terrorists force coca producers and drug traffickers to pay war taxes in order to finance their activities, thus stepping up violence in the area even more, concludes the CAJ report.

Uruguay

Sabotage Considered in Ministry Bombings

PY2211005290 Montevideo LA HORA POPULAR in Spanish 6 Nov 90 p 3

[Text] The possibility that the four explosions in front of the Interior Ministry were intentional has not been dismissed by the organizations responsible for state security. Meanwhile, the investigation is being kept strictly secret.

An investigation by LA HORA POPULAR, however, has revealed that the intelligence service does not have enough information to dismiss any of the theories on the case. The possibility of sabotage of the gas company was added to the list in the last few days.

A high-ranking Interior Ministry official wondered about the connection between some "strange things" that have occurred in the country lately. He mentioned the death threat against Blanco [National Party] Deputy Jose Machinena, the anti-Semitic attacks in the La Paz cemetery, the bomb at an Islamic institution, and the strong explosion on 13 November of last year on the corner of Mercedes and Julio Herrera and Obes Streets, which is almost as close to the Interior Ministry building as it is to Economy Minister Enrique Braga's private residence.

The source said he "would be hysterical" if he had to review the incidents with security, stressing that U.S. President George Bush will arrive to the country in less than a month and there are still no clues to explain the strange incidents.

Officials at the police's National Information and Intelligence Directorate said they do not think the incidents are connected, but added that they cannot dismiss the possibility. Asked if they were concerned about the arrival of the U.S. president, they said yes. Perhaps that was the reason why on 2 November—All Soul's Day, when we remember and pay homage to our dead—the main heads of the Intelligence Department met with Inspector General Saul Claveria on the first floor of a building at 1101 Maldonado Street.

Asked about the cause of the explosions, the sources said they were working on the theory of sabotage of the gas company, but emphasized: "It is not the official version." The officials said "it was technically possible" to set off the explosions at the pipes and if that was the case, it would be the responsibility of "ultra-radical elements."

The sources said it was possible to submit gas pipes to abnormal pressures to break them. The attempt probably failed but produced leaks in some joints that later resulted in an explosion when there was a spark. Gas company technicians probably did not find any leaks in the pipes because they measured them at normal pressure.

As for the other incidents that have not yet been clarified by the Intelligence Service—as LA HORA POPULAR revealed a few months ago—consider that our territory is probably being used as a headquarters or experimental base for ultra-right groups coming from bordering countries, particularly Argentina.

This possibility worries our intelligence service, which is actively investigating the incidents. The concern is greater because of the difficulty of placing strict controls on our extensive borders and the problems and instability that "the importation of foreign problems" could provoke.

Romanian Prime Minister Arrives for 3-Day Visit

PY2311235090 Madrid EFE in Spanish 2228 GMT 23 Nov 90

[Excerpt] Montevideo, 23 Nov (EFE)—Romanian Prime Minister Petre Roman arrived in Uruguay today on a three-day official visit. According to official spokesmen, Petre will meet with Uruguayan President Luis Alberto Lacalle to discuss the international situation and topics of bilateral interest.

Roman, who was welcomed at Carrasco International Airport by Lacalle amid tight military security measures, is the first head of an East European socialist government to visit Uruguay since the recent political and economic changes in East Europe. [passage omitted]

Government Reduces Fishing in Territorial Waters

PY2411163090 Buenos Aires DYN in Spanish 1730 GMT 21 Nov 90

[Text] Montevideo, 21 Nov (REUTER)—The Uruguayan Government decided today to cut back its own fishing and that of other countries in its territorial waters in an effort to preserve the resources of the South Atlantic.

The measure, which was announced by Foreign Minister Hector Gros Espiell, prohibits all fishing activities during spawning season in two zones of Uruguay's territorial waters near the borders with Argentina and Brazil.

Gros pointed out: "We are tackling the problem of decreased catches resulting from depredation." The foreign minister added that Uruguay will also send a note to other countries that fish in the South Atlantic—Argentina, Brazil, South Africa, the USSR, Spain, Japan, Korea [not further identified], Poland, and Great Britain—urging them to help prevent the depredation of fishing resources.

Agriculture and Fishing Minister Alvaro Ramos said the government decree, which becomes effective today, "is an example to be followed." Ramos said: "We need the moral authority to tell the South Atlantic countries that we must do our best to preserve fishing resources and straighten things out. Supervision will be very strict."

The decree signed by President Luis Lacalle and his ministers states that the measure, which was adopted after exhaustive biological research, seeks to "guarantee the rational exploitation" of fishing resources in the zone. Technical sources noted that the measure took into account studies on the increase of fishing by European and Asian countries.

Uruguay, with an annual catch of 107,145 tons, has maintained its average from previous years, but other countries have increased their catches in the zone in "an indiscriminate manner," according to Juan Oribe, director of the National Fishing Institute (Inape).

According to international statistics compiled by Inape, Japan has multiplied its catch in the zone by 10, from 20,000 tons in 1979 to 284,000 tons today. Poland increased its catch of 73,000 tons to 130,000 tons, while the USSR increased its 1979 catch of 2,100 tons by 100 times, to 259,000 tons today.

Countries from outside the zone catch the largest volume of fish—35.8 percent. Brazil's catch makes up 25.9 percent, Argentina's 24.7 percent, and Uruguay's 6.1 percent, according to the source [figures as received].

Guyana

Election Postponed for Reform Measures

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[Report by Colin King]

[Text] Bridgetown, Barbados, Nov. 24, CANA—Election fever in Guyana, running high in the past few months, has suffered a chill, with the expected deferral of the election date to facilitate electoral reform measures and the falling apart of the joint challenge of the opposition coalition. All four parties, which won seats in the 1985 poll, have now practically indicated that they will strike out individually to fight the elections, Constitutionally due by March 1990.

Until a few months ago, the ruling People's National Congress (PNC) faced a five-party coalition dedicated to wresting electoral reforms from the government and posing a united challenge to 26 years of PNC rule. The so-called Patriotic Coalition for Democracy (PCD), formed by five opposition parties a few years ago to fight what they saw as consistent PNC rigging of elections, kept the political climate hot with persistent agitation for reforms and a well-publicised search for a "consensus candidate" for president and prime minister, to oppose the PNC in elections then widely expected to be called for December.

The PCD, aligned with other opposition forces and the newly active Civic Reform Movement Guard [Guard], tasted success in July when President Desmond Hoyte yielded to demands for official foreign observers to monitor the poll. Inter-party differences, however, led to abandonment of the consensus candidate search by the PCD in early September, a setback for the opposition.

Additional electoral reform concessions, which require legislation and thus push back the date by which elections can be held, have not revived a joint opposition programme but, rather, have seen a concretising of plans by the five PCD parties to "go it alone."

By the end of a visit to the Republic, in October, of former U.S. President Jimmy Carter, the Hoyte administration had agreed to having official observers from the Jimmy Carter Centre, and the Commonwealth Secretariat, house-to-house enumeration for the compilation of a new voters list, and a preliminary count of ballots at the place of poll. Opposition parties, long campaigning for some of these changes, felt the elections would be free and fair if these reforms were implemented.

The main opposition People's Progressive Party (PPP) was the first to announce plans to contest elections alone, and named Afro-Guyanese former chairman of Guard, Sam Hinds, as prime ministerial candidate to run with veteran PPP leader, Dr. Cheddi Jagan, the presidential candidate.

The Working People's Alliance (WPA), a PCD partner of the PPP, expressed reservations about the PPP Move, which appeared to steal a march on other opposition parties; first, by launching a PPP election bid and, second, by introducing a mixed-race ticket for president and prime minister in a party traditionally Indo-Guyanese-based.

The PPP responded by offering the WPA the finance portfolio in a joint slate, an apparent miscalculation, since the WPA spurned the offer and in November announced it too would contest the elections separately.

With waning efforts for joint opposition among the traditional political parties, GUARD, launched as a pressure group in January, has recently been considering a "third slate" role for the organisation to offer an alternative to traditional PNC-PPP politics.

"There can by no development in Guyana with the current PPP-PNC politics. There is absolute need for a group of individuals who can band themselves together and face the race and democracy problems facing the country," Guard co-ordinator N. K. Gopaul told the STABROEK NEWS newspaper recently in justification of the contemplated "third slate."

Guard, which has accommodated a strong free enterprise lobby on its public platform, may find an unexpected challenge from the past in the form of a revival of the single, consistently free-enterprise local political party, the United Force (UF). Uf, which sat in a coalition government with the PNC after the 1964 elections, declined in vitality over the years, but at every election managed to preserve a presence in Parliament up to 1985 when it gained two seats.

The party organisation has however been described by other parties as a shell, and rumours have circulated from time to time that its rundown headquarters building in Georgetown was abandoned.

Now, as more active parties prepare for elections, the UF has re-surfaced with a well-publicised programme to celebrate its 30th Anniversary in November, guided by a steering committee which, the STABROEK NEWS reports, plans to revive the fortunes of the party. The press advertisement run by the UF exhorts "for the 1990's, support the party which has for thirty years prophetically decried socialism and communism."

The resurfacing of the UF and other recent developments suggest that opposition parties, as they have been saying, sense the possibility of an election in which they can make their mark.

The parties' failure to cement a unified opposition to enhance their chances may be attributable, as PCD spokeswoman Gail Texieira suggested recently, to the newness of coalition politics in the Caribbean political culture.

Ironically, the major opposition parties in the PCD in May accused the PNC of using a suggested constitutional review as a ploy to postpone the elections. The PNC withdrew the review motion, but six months later finds the possible election date effectively pushed back because of the time needed to implement electoral reforms demanded by the opposition and yielded by Hoyte.

Whether the anticipated delay will give the government's economic recovery programme time to rack up achievements which enhance the PNC's reelection changes is debatable.

The opposition has not to date, however, made use of the harsh social fallout from the reform measures, or anticipated extra time to put back on track a joint election initiative, but have shifted to largely individual efforts, thus cooling the fever.